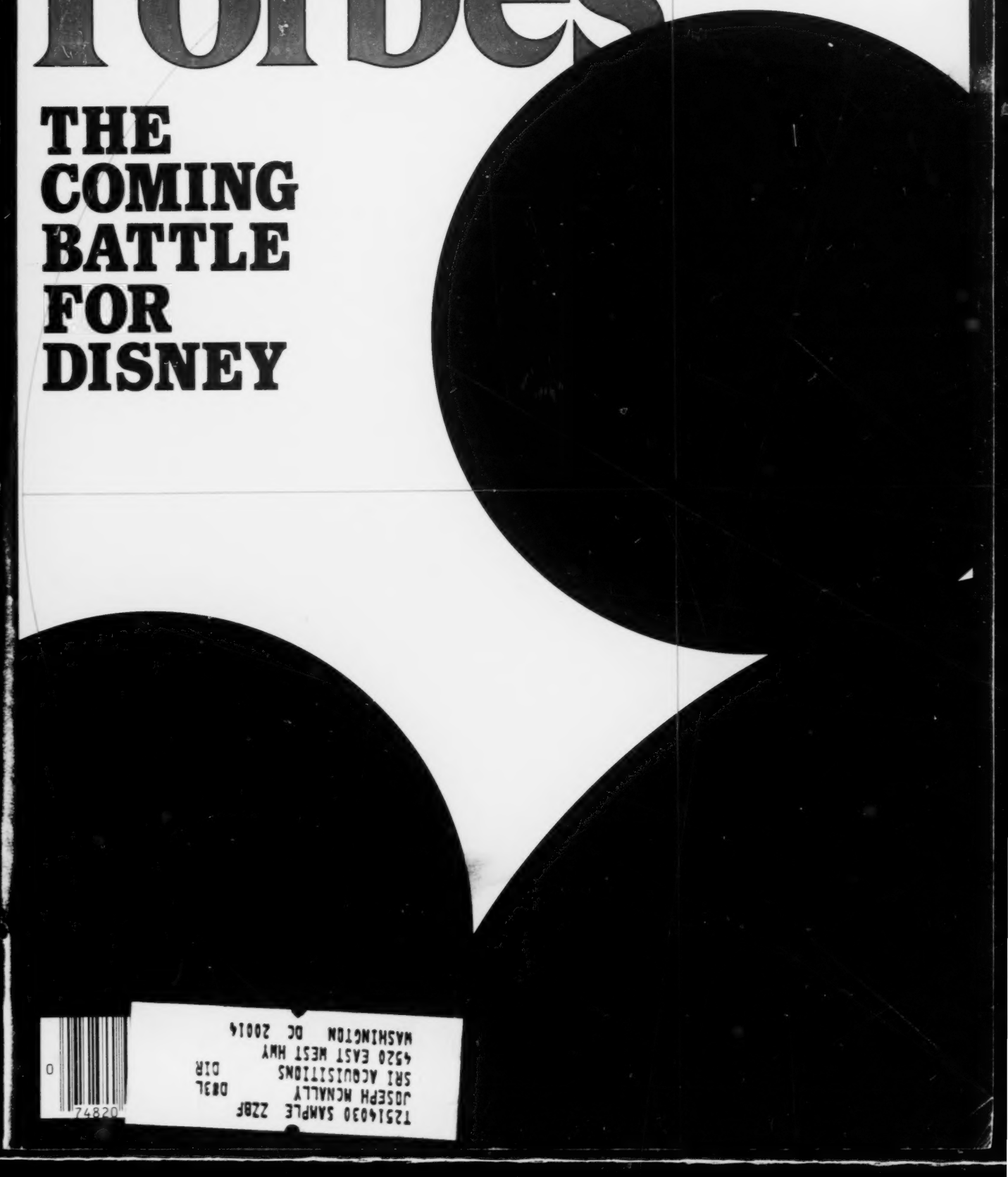
JUNE 4, 1984 THREE DOLLARS

Forbes

THE COMING BATTLE FOR DISNEY



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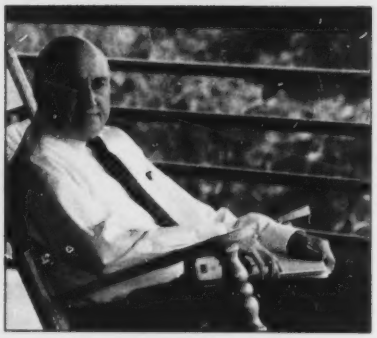

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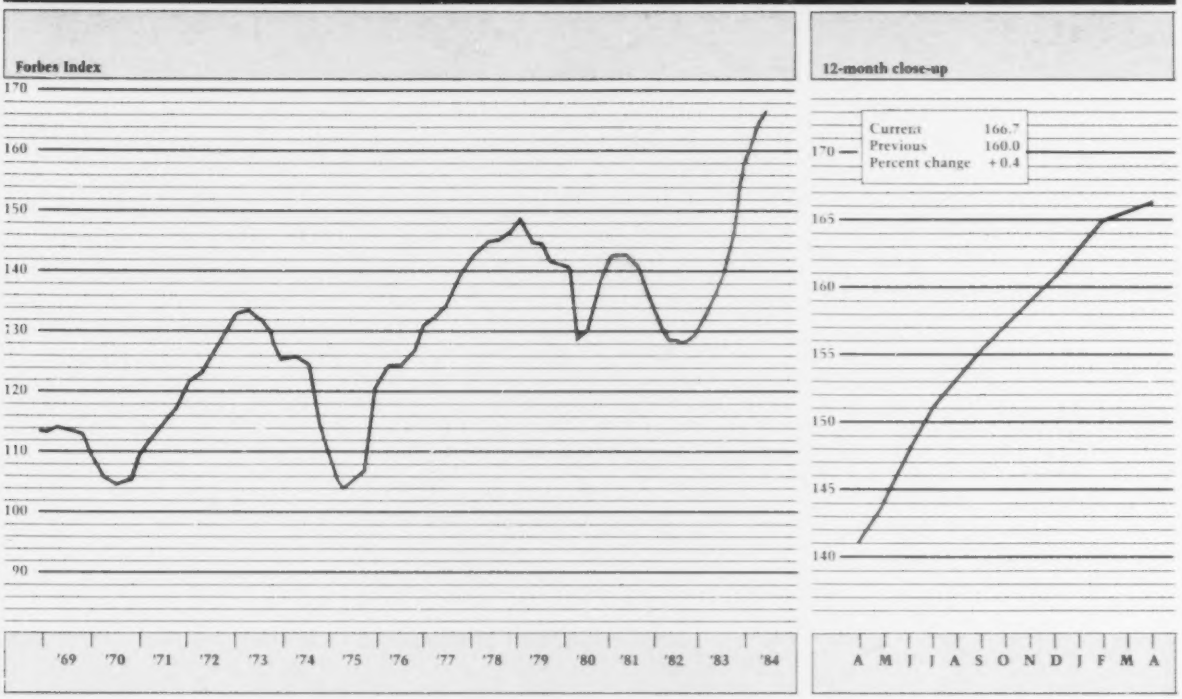
The Forbes Index



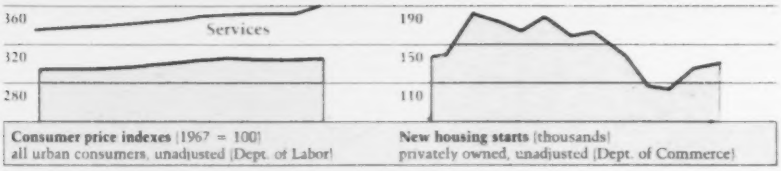
Slower can be better. The Forbes Index continues to register smaller gains than it did earlier in the recovery. In the latest reporting period the Index is up only 0.4%. Over the long run, however, this moderation could help keep inflation under control and thereby sustain the recovery.

In the latest reporting period only two Index components were updated, but both are significant and should be watched over the coming months. On the positive side, consumer installment credit registered a 1.5% month-to-month gain. In general, the willingness of consumers to take on more debt is an encouraging sign—provided, of course, that they have enough income to liquidate it eventually. On the negative side, new unemployment claims rose for the second month in a row.

The Forbes Index Components

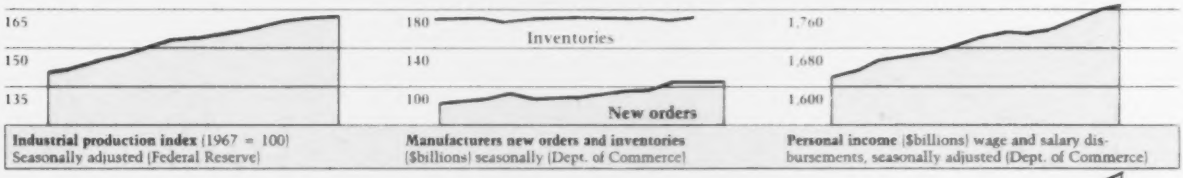
The FORBES Index is a measure of U.S. economic activity composed of eight equally weighted elements: Total industrial production, new claims for unemployment compensation, the cost of services relative to all consumer prices, the level of new orders for durable goods compared with manufacturers' inventories, total retail sales, new housing starts, personal income, total consumer installment credit.

To measure these eight elements, FORBES monitors ten series of U.S. government data. The last 13 months' data for each series is presented at right.



Consumer price indexes (1967 = 100) all urban consumers, unadjusted (Dept. of Labor)

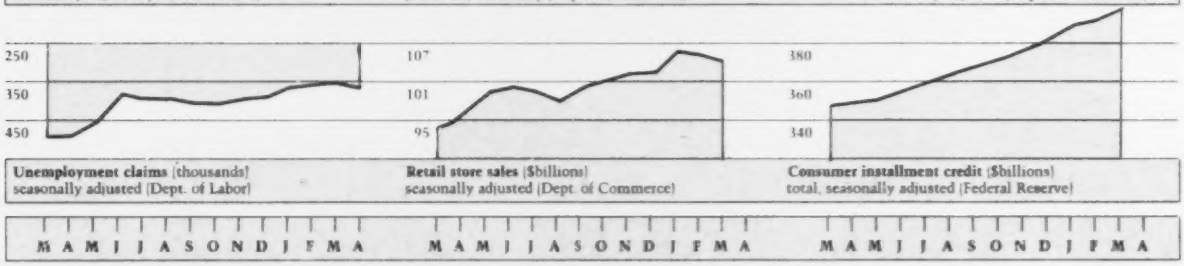
New housing starts (thousands) privately owned, unadjusted (Dept. of Commerce)



Industrial production index (1967 = 100) Seasonally adjusted (Federal Reserve)

Manufacturers new orders and inventories ($billions) seasonally (Dept. of Commerce)

Personal income ($billions) wage and salary disbursements, seasonally adjusted (Dept. of Commerce)



Unemployment claims (thousands) seasonally adjusted (Dept. of Labor)

Retail store sales ($billions) seasonally adjusted (Dept. of Commerce)

Consumer installment credit ($billions) total, seasonally adjusted (Federal Reserve)

Executive salaries get more attention than corporate press releases. Strip away the politics, however, and most compensation plans work well.

Worth his weight

By John A. Byrne

A TIDBIT FOR THOUGHT the next time the subject of "overpaid" corporate managers comes up: Michael Jackson, the 25-year-old pop singer, earned an estimated $50 million last year from the nine songs on his *Thriller* album. That is roughly equal to the combined compensation of the nation's ten best-paid chief executives.

Michael Jackson, of course, seldom gets bad press. Businessmen nearly always do. Right now everyone from Ralph Nader to Peter Drucker is worked up about the size of corporate paychecks. "Only in America would they beat up on the guy who is winning," says Philip Caldwell of Ford. He earned $7.3 million last year and heads FORBES' 1984 executive compensation survey.

Caldwell's income—and that of a handful of other highly paid corporate leaders—is a tempting subject for criticism this year because important union contracts are up for renegotiation soon, and the highly visible automobile industry is recovering from an unprecedented slump. In addition, Wall Street's gains make many stock options unusually valuable.

Beneath the rhetoric, the basic issue of all compensation isn't absolute numbers. It is fairness. Consider a sports analogy. In 1982 the New York Mets gave star outfielder George Foster a $2 million-a-year contract to lure him away from Cincinnati. In his first Mets season Foster managed a mere 13 homers, 70 runs batted in and an anemic .247 average. Overpaid? Sure. But last year he did better. And this season Foster is one of the main reasons for the Mets' success.

Everyone from Ralph Nader to Peter Drucker is worked up about fat corporate paychecks. "Only in America would they beat up on the guy who is winning," says Ford's Philip Caldwell.

The same thing happens in business. Union Pacific, for example, hasn't set many records during the past two years. But Chief Executive William Cook ranks high on the pay roster because of $3.4 million in stock gains. "Nearly all the big numbers are really earned over seven to ten years," he explains. "It's sensationalism to show everything at once. Even if I don't sell my shares, I have to pay close to 57% of my stock gains in taxes. I'm having a hell of a time finding enough cash."

The message here is that there is often no direct relationship between current pay and current performance. Read out of context, proxy salary listings are as misleading as the seven-figure contracts that cover ball players even during slumps. The objective of any pay program, for chief executives and athletes, is for rewards to correlate with results over the long term. Despite the current headlines, there is new evidence that the corporate compensation system works surprisingly well.

The encouragement comes from a group of economists at the University of Rochester's Graduate School of Management. They tracked over 300 top-paid chief executives and compared their salaries and bonuses to their companies' stock performance from 1977 through 1980. The link is impressive: When share and dividend gains were among the top 10%, the boss typically went home with a real 9% pay increase, without considering gains from stock options. But when a company meandered along the bottom 10%, the boss averaged a real 4% annual pay cut. "Salary and bonus really do depend on stock performance," says Ronald Schmidt, coauthor of the analysis.

Another Rochester study looked at pay, including the value of options at grant, and reached the same result. Kevin Murphy tracked the total pay of 461 executives at 72 corporations from 1964 to 1981. He concludes that when shareholders receive a real 10% gain in any given year, salary plus bonus to senior executives rises by a real 2%. If returns fall by the same percentage, pay drops by 2%.

Most chief executives are shareholders in the corporations they run, and this, too, links their earnings to performance. Each of the 103 CEOs in one survey, for example, held shares in their companies worth an average of $4 million. "Even if a chief executive owns only 1%," argues Murphy, "that's a tremendous amount of his personal wealth tied up in the stock. You can be damn sure he cares what happens to the price of it."

Look at Warner Communications' Steven Ross. With total earnings of $3.7 million, he was number four in the compensation ranks in 1982. Last year Ross' paycheck was considerably slimmer. But declining stock prices hit him even harder. His Warner shares fell in value by $3 million. Morley Thompson not only was ousted when Baldwin-United unraveled, but if he held on to his 612,678 shares through the year, he lost more than $16 million.

None of this surprises the economists. They argue that when a highly paid executive doesn't deliver the goods he will often be fired. The Rochester analysis indicates that odds were nearly 1-to-3 that a 55-year-old chief executive who was overpaid by 30% relative to long-term stock performance would be out of a job within 18 months. "While firings are rarely brutal at this level, the boss does leave," says Schmidt.

The relatively high turnover among U.S. chief executives is another fact that critics conveniently forget. Sure, Japanese managers make considerably less money than their American counterparts. But seldom is there a coup d'état or a stockholder revolt in Tokyo. In Japan, moreover, perks are often extensive, what with $100,000-a-year golf club memberships and generous pensions.

Corporations are strengthening the connection between pay and performance with long-term incentive plans. A great idea, even though it is often flawed in application. More than half The Forbes 500s companies with long-term incentive plans link pay to earnings rather than to stock market performance. "The problem is that earnings per share as a goal relates to quantity and says nothing about the quality of those earnings," explains Eugene Nawrocki of consultant Wyatt Co.

Louis Brindisi of Booz, Allen & Hamilton Inc. argues that corporations should be tying pay awards more closely to shareholder gains in stock value and dividends. But even this isn't perfect. Consider: GTE Corp.'s goal of an 8% return on equity. The company hasn't dropped below a 10% return in the past 15 years. And last year the industry median was 14.4%.

Outside directors, too, are looking more closely than ever at pay packages. "The argument used to be that companies had to pay above-average salaries to attract above-average executives," says Peter Chingos, a Peat Marwick compensation consultant. "Now compensation committees say, 'Forget about this pay-above-average business. We want to pay additional compensation only when performance exists.' "

Rightly so. For every *Thriller* album Michael Jackson sells, he gets $2 in royalties. No one should begrudge a chief executive similar rewards for a job well done. Better to spend more time worrying about how to measure management performance and less time shouting about an annual round of often misleading salary figures.

Who Gets The Most Pay

LAST YEAR entrepreneurial risk takers led the FORBES compensation rankings. Federal Express founder Fred Smith was at the top of the roster, with total earnings of $51.5 million. Charles Lazarus, the father of Toys "R" Us, was close behind, at $44 million.

In this year's rankings, corporate leaders are back on top—even though their incomes come nowhere near the level that stock-laden entrepreneurs can achieve. Thanks mainly to the economic recovery and a robust stock market, the heftiest pay packages show up in industries snapping back from hard times: automobiles, railroads, natural gas utilities.

As you scan the numbers, bear in mind that big compensation figures usually relate to bonuses and stock options for long-term performance. "I did indeed get $5.6 million in addition to my $480,000 salary," Thomas Murphy of Capital Cities Communications points out, "but that was over a nine-year period. During those years stockholders' shares went up in value over 800%."

Bear in mind, too, that the compensation figures in the following tables aren't the ones usually highlighted in company proxy statements. New Securities & Exchange Commission rules make reading the full text of the proxy mandatory if you want to find out what a chief executive earns. FORBES statisticians spent some 300 hours poring through this deadly prose to get these figures.

Take Arkla President Edward Sheffield Nelson. The cash compensation table in Arkla's proxy indicates that his 1983 salary was $342,000. Read through an additional six pages of legalese, however, and you will discover that Nelson also netted $3.6 million in stock appreciation rights.

Previously, proxies broke out cash payments—salary and bonus—from cash-equivalent compensation like securities, insurance benefits, perks and restricted stock grants. But now the tables include only cash income. The rest is described in footnotes or narrative. "You really have to dig to find the nitty-gritty," says Heidi Toppel of Wyatt Co., a compensation consulting firm.

Du Pont's Edward Jefferson, for instance, made $960,000 in cash compensation in 1983, according to the pay table in the firm's proxy. Two pages later, however, careful readers will discover that he also got a bonus of some 2,300 shares. Under the old rules the value of those shares, roughly $110,000, would have appeared in the table as cash-equivalent remuneration. This year the dollar value of the bonus shares isn't discussed at all.

What if you want to know the value of an executive's stock options? Until this year, both the gains realized when options were exercised and the potential value of options outstanding were outlined in table form in the proxy. But now only options granted or exercised during the year must be reported, and companies can choose to present that in different ways.

Although the SEC rules make analysis more difficult, we've broken down the compensation packages of 805 chief executives of Forbes 500s companies and present the information in a comparable, all-inclusive form. This year's survey also identifies each company's industry group and ranks every executive's pay against that of the competition.—**Anne McGrath**

What the numbers mean

Salary and bonus:
Salary and bonus, whether paid in cash or deferred, as well as directors' fees and commissions.

Other:
Payments made under long-term compensation plans, restricted stock awards vested or released from restrictions in 1983, thrift plan contributions and other benefits.

Stock gains:
Net value realized in shares or cash from the exercise of stock options and/or stock appreciation rights granted in prior years.

Rank in industry:
Each chief executive's total compensation is ranked relative to that of others in the industry group. Industry group codes follow company names and are identified on page 146.

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure (years) with firm	as CEO	Business background
162	Abbott Laboratories/15	Robert A. Schoellhorn/55	818	3	—	821	6 of 16	10	5	Technical
139	Advanced Micro Devices/17	W. J. Sanders III/47	579	299	—	878	6 of 17	15	15	Founder
221	Aetna Life & Cas/26	John H. Filer/59	690	29	—	719	6 of 27	25	11	Insurance
747	Affiliated Bshs Colo/ 4	Leo Hill/60	180	14	18	212	138 of 151	20	1	Administration
115	H F Ahmanson/54	[1]William H. Ahmanson/58	551	198	210	959	4 of 29	34	15	Administration
267	Air Prods & Chems/10	Edward Donley/62	637	12	—	649	11 of 24	41	10	Technical
87	Albertson's/51	Warren E. McCain/58	523	22	535	1,080	3 of 16	32	7	Operations
351	Alco Standard/34	Ray B. Mundt/55	544	14	—	558	26 of 30	14	4	Operations
348	Alexander & Baldwin/22	Robert J. Pfeiffer/64	529	30	—	559	4 of 8	24	4	Operations
211	Allegheny Intl/34	Robert J. Buckley/60	723	12	—	735	20 of 30	12	9	Operations

[1]Succeeded by Richard H. Deihl, 1/1/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000)				Rank in industry	Tenure		Business background
			salary and bonus	other	stock gains	total		with firm	as CEO	
666	Allegheny Power/59	Charles B. Finch/64	285	—	—	285	28 of 76	30	12	Legal
774	Allied Bancshares/ 4	Gerald H. Smith/53	176	8	—	184	144 of 151	25	12	Banking
115	Allied Corp/34	Edward L. Hennessy Jr/56	942	17	—	959	11 of 30	5	5	Finance
89	Allied Stores/49	Thomas M. Macioce/65	725	345	—	1,070[2]	4 of 10	24	12	Legal
419	Allis-Chalmers/28	[1]David C. Scott/68	416	74	—	490	10 of 14	15	15	Technical
639	ALLTEL/11	Weldon W. Case/63	299	—	—	299	15 of 17	23	23	Operations
346	Alcoa/32	Charles W. Parry/60	561	1	—	562	3 of 8	36	1	Administration
275	AMAX/32	Pierre Gousseland/62	615	23	—	638	1 of 8	35	7	Technical
419	Amdahl/ 7	John C. Lewis/48	490	—	—	490	13 of 23	6	1	Administration
447	Amerada Hess/37	Philip Kramer/63	440	22	—	462	17 of 23	15	2	Administration
43	American Brands/58	Edward W. Whittemore/61	1,022	30	561	1,613	2 of 5	37	3	Marketing
142	Amer Broadcasting/46	Leonard H. Goldenson/78	863	8	—	871	3 of 5	50	34	Legal
131	American Can/38	William S. Woodside/62	905	1	—	906	1 of 18	34	4	Operations
221	American Cyanamid/10	George J. Sella/55	628	—	91	719	10 of 24	29	1	Operations
555	American Elec Power/59	Willis S. White Jr/57	360	8	—	368	11 of 76	35	8	Technical
114	American Express/13	James D. Robinson III/48	902	—	59	961	1 of 5	13	7	Finance
431	American Fletcher/ 4	Frank E. McKinney Jr/45	472	5	—	477	45 of 151	16	11	Banking
240	American General/26	Harold S. Hook/52	685	—	—	685	8 of 27	13	5	Insurance
705	American Greetings/52	Irving I. Stone/75	250	—	—	250	16 of 18	60	24	Administration
75	American Home Prod/15	John W. Culligan/67	863	288	—	1,151	2 of 16	47	3	Marketing
249	Amer Hospital Supply/23	Karl D. Bays/50	630	45	—	675	7 of 10	25	13	Sales
219	American Intl Group/26	Maurice R. Greenberg/59	720	—	—	720	5 of 27	23	16	Insurance
106	Amer Medical Intl/23	Royce Diener/66	788	—	196	984	3 of 10	14	8	Finance
312	American Motors/ 3	Paul Tippett/51	360	—	231	591	8 of 9	5	2	Marketing
562	American Natl Ins/26	Orson C. Clay/53	360	—	—	360	21 of 27	13	6	Administration
209	Am Natural Resources/60	Arthur R. Seder Jr/64	604	133	—	737	4 of 21	24	7	Legal
596	American Petrofina/37	Paul D. Meek/53	317	17	—	334	23 of 23	28	1	Technical
766	Amer Savings & Loan/54	Morris N. Broad/49	194	—	—	194	26 of 29	27	19	Finance
160	American Security/ 4	W. Jarvis Moody/56	383	—	444	827	8 of 151	20	4	Banking
18	American Standard/ 5	William A. Marquard/64	759	57	1,730	2,546	1 of 17	31	12	Operations
359	American Stores/50	Lennie S. Skaggs/60	530	21	—	551[2]	6 of 15	39	18	Retailing
48	American Tel & Tel/11	Charles L. Brown/62	1,226	195	—	1,421	1 of 17	38	5	Operations
652	Amerifin/13	Franklin A. Cole/58	292	—	1	293	5 of 5	21	13	Legal
443	Ameritech/11	William L. Weiss/55	465*	—	—	465	9 of 17	32	1	Operations
698	AmeriTrust/ 4	Jerry V. Jarrett/52	244	15	—	259	128 of 151	10	1	Banking
460	Amfac/34	Myron Du Bain/61	450	—	—	450	29 of 30	1	1	Insurance
386	AMP/16	Walter F. Raab/60	344	179	—	523	7 of 9	31	2	Finance
98	AMR/ 2	Albert V. Casey/64	438	—	590	1,028	1 of 11	10	10	Finance
600	AmSouth Bancorp/ 4	John W. Woods/52	332	—	—	332	89 of 151	14	12	Banking
680	Analog Devices/17	Ray Stata/49	217	58	—	275	16 of 17	19	11	Founder
624	Anderson, Clayton/19	Thomas J. Barlow/61	308	4	—	312	16 of 17	38	17	Operations
105	Anheuser-Busch Cos/14	August A. Busch III/47	988	—	—	988	1 of 5	27	9	Operations
34	Apple Computer/ 7	John Sculley/45	1,830	6	—	1,836	3 of 23	1	1	Marketing
362	ARA Services/39	Joseph Neubauer/42	544	—	—	544	1 of 2	5	1	Finance
214	Archer Daniels Midland/19	Dwayne O. Andreas/66	729	5	—	734	8 of 17	13	13	Finance

*Annualized current salary

[1]Figures are for year ended 1-31-85

[2]Succeeded by Wendell F. Bueche, 1-1-84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
430	Arizona Bancwest/ 4	Donald B. Tostenrud/59	355	7	116	478	44 of 151	24	6	Finance
616	Arizona Public Service/59	Keith L. Turley/61	309	9	—	318	19 of 76	32	10	Administration
8	Arkla/60	Edward Sheffield Nelson/43	342	24	3,598	3,964	1 of 21	20	11	Legal
446	Armco/31	Harry Holiday Jr/60	454	9	—	463	2 of 6	35	5	Operations
654	Armstrong World Inds/ 5	Joseph L. Jones/61	292	—	—	292	16 of 17	36	1	Operations
368	ASARCO/32	Ralph L. Hennebach/64	536	—	—	536	4 of 8	43	2	Technical
477	Ashland Oil/37	John R. Hall/51	413	18	—	431	19 of 23	26	2	Technical
61	Associated Dry Goods/49	William P. Arnold/59	608	—	667	1,275	3 of 10	36	4	Retailing
565	Atlantic Bancorp/ 4	Billy J. Walker/53	267	—	92	359	79 of 151	35	8	Banking
734	Atlantic City Electric/59	John D. Feehan/54	220	6	—	226	46 of 76	31	11	Technical
152	Atlantic Richfield/37	William F. Kieschnick/61	825	29	—	854	12 of 23	37	2	Technical
279	Auto Data Processing/ 7	Josh S. Weston/55	325	29	272	626	8 of 23	13	1	Operations
289	Avco/13	Robert P. Bauman/53	610	—	—	610	3 of 5	2	2	Marketing
239	Avnet/17	Anthony R. Hamilton/59	687	—	—	687	8 of 17	27	3	Marketing
646	Avon Products/12	Hicks B. Waldron/60	295†	—	—	295	4 of 4	1	1	Marketing
556	Bacardi/14	Manuel L. del Valle/60	324	6	36	366	4 of 5	4	2	Technical
252	Baker International/35	Earnest H. Clark Jr/57	480	40	151	671	3 of 11	37	19	Technical
683	Baltimore Gas & Elec/59	Bernard C. Trueschler/61	265	9	—	274	31 of 76	36	4	Technical
416	Banc One/ 4	[4]John G. McCoy/71	494	—	—	494	41 of 151	47	25	Banking
82	BanCal Tri-State/ 4	Chauncey E. Schmidt/52	406	17	674	1,097	3 of 151	8	8	Banking
695	Banco Popular PR/ 4	Rafael Carrión Jr/69	217	45	—	262	125 of 151	51	27	Banking
652	BancOhio/ 4	Arthur D. Herrmann/57	293	—	—	293	108 of 151	3	3	Banking
701	BancOklahoma/ 4	Leonard J. Eaton/49	240	12	—	252	129 of 151	13	5	Banking
644	Bancorp Hawaii/ 4	Frank J. Manaut/60	285	12	—	297	105 of 151	33	3	Banking
658	BancTEXAS Group/ 4	Edward C. Nash Jr/42	290	—	—	290	112 of 151	13	5	Banking
442	Bank of Boston/ 4	William L. Brown/62	420	46	—	466	48 of 151	35	1	Banking
561	Bank of New England/ 4	Roderick M. MacDougall/58	361	—	—	361	78 of 151	10	5	Banking
211	Bank of New York/ 4	John Carter Bacot/51	672	63	—	735	15 of 151	24	2	Finance
728	Bank of Virginia/ 4	Frederick Deane Jr/57	215	19	—	234	133 of 151	30	10	Finance
278	BankAmerica/ 4	Samuel H. Armacost/45	629	—	—	629	22 of 151	22	3	Banking
111	Bankers Trust N Y/ 4	Alfred Brittain III/61	690	286	—	976	5 of 151	37	9	Banking
491	Barnett Banks Fla/ 4	Charles E. Rice/48	421	—	—	421	58 of 151	18	4	Banking
237	Baxter Travenol Labs/23	Vernon R. Loucks Jr/49	645	44	—	689	6 of 10	18	4	Marketing
615	BayBanks/ 4	William M. Crozier Jr/51	278	18	24	320	96 of 151	20	9	Banking
91	Beatrice Foods/20	James L. Dutt/59	1,058	—	—	1,058	3 of 10	37	4	Marketing
322	Becton, Dickinson/23	Wesley J. Howe/62	466	117	—	583	8 of 10	35	9	Administration
474	Bell Atlantic/11	Thomas E. Bolger/56	434*	—	—	434	11 of 17	40	1	Technical
720	BellSouth/11	[5]Wallace R. Bunn/61	241*	—	—	241	16 of 17	43	2	Administration
356	Beneficial Corp/13	Finn M. W. Caspersen/42	553	—	—	553	4 of 5	12	7	Legal
331	Bergen Brunswig/52	Emil P. Martini Jr/55	578	—	—	578	4 of 18	32	15	Technical
804	Berkshire Hathaway/26	Warren E. Buffett/53	100	—	—	100	27 of 27	19	14	Investment
522	Best Products/50	Sydney Lewis/64	386	11	—	397	10 of 15	27	7	Founder
497	Bethlehem Steel/31	Donald H. Trautlein/57	419	—	—	419	3 of 6	7	4	Finance
610	Big Three Industries/10	Harry K. Smith/72	318	9	—	327	23 of 24	58	20	Administration
541	Black & Decker/29	Laurence J. Farley/48	383	—	—	383	4 of 5	6	1	Finance

*Annualized current salary.
†CEO joined company in 1983, salary not annualized.
[4]Succeeded by John B. McCoy, 4-24-84.
[5]Succeeded by John L. Clendenin, 1-1-84.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
668	Blue Bell/57	Edward J. Bauman/59	267	7	10	**284**	2 of 2	34	1	Technical
453	Boatmen's Bancshares/ 4	Donald N. Brandin/62	456	—	—	**456**	51 of 151	28	11	Banking
30	Boeing/ 1	Thorton A. Wilson/63	873	19	1,052	**1,944**	2 of 11	41	15	Technical
202	Boise Cascade/ 5	John B. Fery/54	564	40	143	**747**	6 of 17	27	11	Production
52	Borden/20	Eugene J. Sullivan/63	854	106	409	**1,369**	2 of 10	38	4	Sales
9	Borg-Warner/34	James F. Bere/61	677	—	3,235	**3,912**	1 of 30	23	12	Production
600	Boston Edison/59	Thomas J. Galligan Jr/64	332	—	—	**332**	18 of 76	30	13	Finance
96	Bristol-Myers/15	Richard L. Gelb/60	1,027	17	—	**1,044**	4 of 16	34	12	Administration
753	Broadview Financial/54	John E. Rupert/56	207	—	—	**207**	24 of 29	30	10	Administration
308	Brown-Forman Dist/14	W. L. Lyons Brown Jr/47	398	3	195	**596**	3 of 5	23	8	Marketing
28	Brown Group/55	Bernard A. Bridgewater Jr/50	579	—	1,386	**1,965**	1 of 4	5	2	Administration
109	Browning-Ferris Inds/ 9	Harry J. Phillips Sr/54	303	—	677	**980**	4 of 11	14	6	Founder
277	Brunswick/45	Jack F. Reichert/53	630	—	—	**630**	1 of 2	27	2	Marketing
270	Burlington Industries/56	William A. Klopman/62	537	109	—	**646**	1 of 4	38	7	Marketing
83	Burlington Northern/42	Richard M. Bressler/53	947	148	—	**1,095**	2 of 6	4	4	Finance
133	Burroughs/ 7	W. Michael Blumenthal/58	868	33	—	**901**	4 of 23	4	3	Administration
558	Cabot/10	Robert A. Charpie/58	363	—	—	**363**	21 of 24	15	15	Technical
188	CalFed/54	[6]Robert R. Dockson/66	773	—	—	**773**	5 of 29	15	10	Administration
745	California First Bank/ 4	Yasushi Sumiya/56	181	35	—	**216**	137 of 151	3	3	Banking
382	Campbell Soup/18	R. Gordon McGovern/57	525	—	—	**525**	3 of 6	28	3	Marketing
3	Capital Cities Comm/46	Thomas S. Murphy/59	480	69	5,603	**6,152**	1 of 5	29	17	Administration
285	Capital Holding/26	Thomas C. Simons/55	603	14	—	**617**	10 of 27	6	6	Insurance
100	Carnation/20	H. Everett Olson/77	450	111	453	**1,014**	4 of 10	52	16	Finance
625	Carolina Power & Light/59	Sherwood H. Smith Jr/49	298	13	—	**311**	21 of 76	18	4	Legal
247	Carter Hawley Hale/49	Philip M. Hawley/58	678	—	—	**678**	7 of 10	26	7	Retailing
636	Carteret Savings/54	Robert B. O'Brien Jr/49	300	—	—	**300**	13 of 29	9	9	Banking
517	Castle & Cooke/18	Ian R. Wilson/55	400*	—	—	**400**	5 of 6	1	1	Administration
279	Caterpillar Tractor/28	Lee L. Morgan/64	590	23	13	**626**	6 of 14	38	6	Marketing
128	CBS/46	Thomas H. Wyman/54	856	67	—	**923**	2 of 5	4	4	Marketing
627	CBT/ 4	Walter J. Connolly Jr/55	310	—	—	**310**	99 of 151	23	7	Banking
36	Celanese/10	John D. Macomber/56	687	6	1,109	**1,802**	1 of 24	11	6	Administration
354	Centel/11	Robert P. Reuss/66	457	—	98	**555**	6 of 17	11	11	Operations
636	Centerre Bancorp/ 4	Clarence C. Barksdale/52	300	—	—	**300**	103 of 151	25	6	Banking
591	Central & South West/59	Durwood Chalker/60	318	19	—	**337**	17 of 76	34	4	Technical
572	Central Bancorp/ 4	Oliver W. Birckhead/61	350	—	—	**350**	83 of 151	33	12	Banking
361	Central Bancshares/ 4	Harry B. Brock Jr/58	268	11	267	**546**	32 of 151	13	13	Founder
632	Central Fidelity Banks/ 4	Carroll L. Saine/50	290	13	—	**303**	101 of 151	27	3	Banking
785	Central Ill Pub Svc/59	Donald G. Raymer/59	162	2	—	**164**	68 of 76	36	3	Operations
802	Central Maine Power/59	[7]Charles E. Monty/57	121	4	—	**125**	76 of 76	13	1	Technical
513	Central Soya/19	Douglas G. Fleming/54	402	—	—	**402**	15 of 17	30	4	Sales
664	Centran/ 4	Wilson M. Brown Jr/57	286	—	—	**286**	115 of 151	5	3	Banking
535	CFS Continental/18	Robert H. Cohn/62	387	—	—	**387**	6 of 6	37	2	Operations
256	Champion International/ 5	Andrew C. Sigler/52	538	16	110	**664**	10 of 17	27	9	Sales
172	Charter/37	Raymond K. Mason/57	549	250	—	**799**	14 of 23	31	20	Founder
666	CharterCorp/ 4	Gordon E. Wells/56	266	6	13	**285**	116 of 151	32	7	Banking

*Annualized current salary

[6]Succeeded by George Rutland, 1-1-84

[7]Interim CEO; succeeded by John W. Rowe, 1-9-84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
161	Chase Manhattan/ 4	Willard C. Butcher/57	778	47	—	825	9 of 151	37	4	Banking
265	Chemical New York/ 4	Walter V. Shipley/48	525	126	—	651	20 of 151	27	1	Banking
185	Chesebrough-Pond's/12	Ralph E. Ward/63	486	290	—	776	3 of 4	37	16	Marketing
33	Chrysler/ 3	Lee A. Iacocca/59	475	—	1,383	1,858	2 of 9	5	4	Operations
450	Chubb/26	Henry U. Harder/59	457	—	—	457	18 of 27	35	3	Insurance
195	CIGNA/26	Robert D. Kilpatrick/60	690	71	—	761	2 of 27	2	2	Insurance
720	Cincinnati G & E/59	William H. Dickhoner/62	211	30	—	241	40 of 76	43	8	Technical
362	Cincinnati Milacron/29	James A. D. Geier/58	299	—	245	544	1 of 5	33	14	Technical
585	Citadel Holding/54	Spencer Scott/61	339	—	—	339	11 of 29	38	14	Administration
64	Citicorp/ 4	Walter B. Wriston/64	1,192	44	—	1,236	2 of 151	38	14	Banking
426	Citizens & Southern Ga/ 4	Bennett A. Brown/55	428	18	40	486	43 of 151	29	6	Banking
641	Citizens & Southern SC/ 4	Hugh M. Chapman/52	286	12	—	298	104 of 151	27	10	Banking
620	Citizens Fidelity/ 4	J. David Grissom/45	315	—	—	315	97 of 151	11	7	Legal
24	City Federal S & L/54	Gilbert G. Roessner/66	485	32	1,520	2,037	1 of 29	43	14	Banking
12	City Investing/34	George T. Scharffenberger/65	1,124	1,816	—	2,940	2 of 30	18	18	Operations
325	City National/ 4	Bram Goldsmith/61	581	—	—	581	26 of 151	9	9	Finance
658	Cleveland Elec Illum/59	Robert M. Guinn/60	275	15	—	290	27 of 76	35	5	Technical
305	Clorox/19	Calvin S. Hatch/63	465	94	39	598	14 of 17	12	3	Sales
325	Coastal Corp/36	Oscar S. Wyatt Jr/59	579	2	—	581	5 of 10	28	28	Founder
65	Coca-Cola/21	Roberto C. Goizueta/53	1,162	—	63	1,225	1 of 3	29	3	Technical
76	Colgate-Palmolive/19	[8]Keith Crane/63	1,148	—	—	1,148	2 of 17	47	5	Marketing
431	Colonial Penn Group/26	John J. MacWilliams/55	465	12	—	477	17 of 27	15	14	Founder
683	Colorado Natl Bnkshs/ 4	Bruce M. Rockwell/61	265	—	9	274	119 of 151	30	7	Banking
11	Colt Industries/28	[9]George A. Strichman/67	865	111	2,580	3,556	1 of 14	21	21	Administration
342	Columbia Gas System/60	W. Frederick Laird/64	533	33	—	566	8 of 21	32	3	Legal
54	Columbia S & L/54	Thomas Spiegel/37	1,360	—	—	1,360	2 of 29	8	8	Banking
470	Combined International/26	Patrick G. Ryan/47	396	43	—	439	19 of 27	20	1	Insurance
60	Combustion Engineering/28	[10]Arthur J. Santry Jr/65	796	—	483	1,279	2 of 14	28	21	Legal
499	Comerica/ 4	Donald R. Mandich/58	413	—	—	413	61 of 151	33	3	Banking
782	Commerce Bancshares/ 4	James M. Kemper Jr/62	168	—	—	168	146 of 151	37	17	Banking
732	Commerce Union/ 4	Edward G. Nelson/52	229	—	—	229	134 of 151	19	1	Banking
634	Commonwealth Edison/59	James J. O'Connor/47	301	—	—	301	22 of 76	20	4	Administration
469	Computervision/ 7	James R. Barrett/44	440	—	—	440	14 of 23	2	2	Technical
299	ConAgra/19	Charles M. Harper/56	589	13	—	602	12 of 17	9	8	Administration
393	Consolidated Edison/59	Arthur Hauspurg/59	374	145	—	519	1 of 76	15	2	Technical
85	Consolidated Foods/18	John H. Bryan Jr/47	801	291	—	1,092	1 of 6	24	9	Administration
17	Consol Freightways/22	Raymond F. O'Brien/62	587	82	1,918	2,587	1 of 8	26	7	Finance
386	Consol Natural Gas/60	George J. Tankersley/63	503	20	—	523	12 of 21	17	5	Operations
646	Consumers Power/59	John D. Selby/62	295	—	—	295	25 of 76	9	6	Technical
472	Continental Bancorp/ 4	Roy T. Peraino/56	283	31	122	436	54 of 151	26	14	Finance
605	Continental Corp/26	John P. Mascotte/45	330	—	—	330	22 of 27	3	2	Insurance
250	Continental Group/38	S. Bruce Smart Jr/61	635	39	—	674	3 of 18	31	3	Marketing
376	Continental Illinois/ 4	[11]Roger E. Anderson/62	515	15	—	530	37 of 151	37	11	Banking
279	Continental Telecom/11	James V. Napier/47	573	53	—	626	4 of 17	19	1	Finance
227	Control Data/ 7	William C. Norris/72	707	—	—	707	5 of 23	26	26	Founder

[8]Succeeded by Reuben Mark, 5/3/84
[9]Succeeded by David I. Margolis, 5/3/84
[10]Succeeded by Charles E. Hugel, 4/24/84
[11]Succeeded by David G. Taylor, 2/27/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	as CEO	Business background
783	Convergent Technologies/ 7	Allen H. Michels/43	165	—	—	165	22 of 23	4	3	Founder
494	Cooper Industries/28	Robert Cizik/53	420	—	—	420	12 of 14	22	9	Finance
584	Adolph Coors/14	William K. Coors/67	340	—	—	340	5 of 5	44	23	Technical
368	CoreStates Financial/ 4	G. Morris Dorrance Jr/61	446	—	90	536	35 of 151	32	15	Finance
438	Corning Glass Works/25	James R. Houghton/47	466	6	—	472	3 of 3	22	1	Administration
401	Cox Communications/46	William A. Schwartz/46	510	—	—	510	4 of 5	11	1	Administration
232	CPC International/19	James W. McKee Jr/61	524	—	168	692	10 of 17	37	11	Finance
632	Cray Research/ 7	John A. Rollwagen/43	289	14	—	303	20 of 23	8	3	Marketing
521	Crocker National/ 4	John B. M. Place/58	398	—	—	398	67 of 151	6	2	Banking
524	Crown Central Petrol/37	Henry A. Rosenberg Jr/54	382	13	—	395	21 of 23	31	13	Administration
743	Crown Cork & Seal/38	John F. Connelly/79	216	1	—	217	18 of 18	27	27	Sales
459	Crown Zellerbach/38	William T. Creson/54	446	6	—	452	14 of 18	7	2	Technical
120	CSX/42	Hays T. Watkins/58	485	—	468	953	3 of 6	35	2	Finance
634	Cullen/Frost Bankers/ 4	Thomas C. Frost/56	301	—	—	301	102 of 151	34	13	Banking
178	Cummins Engine/28	Henry B. Schacht/49	382	173	228	783	5 of 14	19	14	Administration
86	Dana/ 3	Gerald B. Mitchell/56	617	—	467	1,084	5 of 9	40	4	Administration
146	Dart & Kraft/20	John M. Richman/56	838	24	—	862	5 of 10	29	5	Legal
568	Data General/ 7	Edson D. deCastro/45	354	—	—	354	18 of 23	16	16	Founder
771	Dauphin Deposit/ 4	John D. Wickert/61	186	—	—	186	143 of 151	10	4	Banking
248	Dayton-Hudson/49	Kenneth A. Macke/45	676	—	—	676	8 of 10	23	1	Retailing
577	Dayton Power & Light/59	Robert E. Frazer/55	337	9	—	346	15 of 76	9	6	Finance
629	Deere/28	Robert A. Hanson/59	307	—	—	307	13 of 14	34	2	Marketing
763	Delmarva Power & Light/59	Nevius M. Curtis/54	197	—	—	197	59 of 76	5	2	Administration
488	Delta Air Lines/ 2	David C. Garrett Jr/61	420	3	—	423	6 of 11	37	6	Operations
592	Deluxe Check Printers/ 9	Eugene R. Olson/58	296	40	—	336	10 of 11	39	6	Marketing
768	Deposit Guaranty/ 4	[12]John P. Maloney/65	182	11	—	193	141 of 151	15	2	Banking
440	Detroit Edison/59	Walter J. McCarthy Jr/59	418	51	—	469	3 of 76	20	2	Operations
166	Diamond Shamrock/37	William H. Bricker/52	796	15	—	811	13 of 23	15	7	Marketing
263	Digital Equipment/ 7	Kenneth H. Olsen/58	655	—	—	655	7 of 23	26	26	Founder
619	Walt Disney/47	Ronald W. Miller/51	316	—	—	316	6 of 6	30	1	Production
683	Dominion Bankshares/ 4	Warner N. Dalhouse/50	267	—	7	274	120 of 151	27	2	Marketing
702	Dominion Resources/59	William W. Berry/52	251	—	—	251	33 of 76	26	1	Technical
95	Donaldson, Lufkin/27	Richard H. Jenrette/55	1,045	—	—	1,045	5 of 5	24	10	Founder
374	R R Donnelley & Sons/ 9	John B. Shwemm/50	518	14	—	532	8 of 11	19	1	Legal
714	Dorchester Gas/36	George S. Rooker/65	243	1	—	244	10 of 10	28	24	Investment
428	Dover/ 6	Gary L. Roubos/47	385	97	—	482	4 of 5	13	3	Operations
147	Dow Chemical/10	Paul F. Oreffice/56	642	4	213	859	6 of 24	31	6	Finance
208	Dow Jones/41	Warren H. Phillips/57	550	189	—	739	4 of 9	36	9	Journalism
702	Dresser Industries/35	John J. Murphy/52	251	—	—	251	11 of 11	31	1	Technical
107	E I du Pont/10	Edward G. Jefferson/62	960	23	—	983	3 of 24	33	3	Technical
641	Duke Power/59	William S. Lee/54	264	34	—	298	24 of 76	29	2	Technical
115	Dun & Bradstreet/ 9	Harrington Drake/64	875	84	—	959	5 of 11	36	9	Marketing
724	Duquesne Light/59	John M. Arthur/61	232	5	—	237	42 of 76	39	15	Operations
26	E-Systems/17	John W. Dixon/64	1,348	10	660	2,018	1 of 17	22	15	Administration
670	Eastern Air Lines/ 2	Frank Borman/56	282	—	—	282	9 of 11	14	8	Technical

[12]Succeeded by Emerson B. Robinson Jr., 1/1/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
549	Eastern Gas & Fuel/32	William J. Pruyn/61	367	8	—	375	8 of 8	32	6	Finance
217	Eastman Kodak/40	Colby H. Chandler/59	729	—	—	729	3 of 7	33	1	Technical
145	Eaton/ 3	E. Mandell de Windt/63	850	13	—	863	6 of 9	42	14	Operations
582	Jack Eckerd/50	Stewart Turley/49	333	8	—	341	13 of 15	17	9	Administration
74	EG&G/17	Dean W. Freed/61	552	—	600	1,152	5 of 17	13	1	Administration
757	El Paso Electric/59	Evern R. Wall/51	201	—	—	201	58 of 76	26	8	Technical
306	Electronic Data Syst/ 7	Morton H. Meyerson/46	597	—	—	597	9 of 23	18	5	Administration
125	Emerson Electric/16	Charles F. Knight/48	940	—	—	940	3 of 9	11	10	Administration
123	Emhart/34	T. Mitchell Ford/63	795	10	138	943	12 of 30	25	14	Legal
102	Engelhard/33	[13]Irving D. Isko/56	1,000	—	—	1,000	1 of 2	27	3	Legal
153	ENSERCH/60	William C. McCord/56	595	18	239	852	2 of 21	35	13	Technical
318	Entex/60	Jackson C. Hinds/62	308	24	253	585	7 of 21	15	12	Legal
716	Equimark/ 4	William E. Bierer/54	243	—	—	243	132 of 151	15	9	Banking
606	Equitable Bancorp/ 4	H. Grant Hathaway/56	289	12	28	329	91 of 151	29	2	Banking
42	Esmark/20	Donald P. Kelly/62	904	12	709	1,625	1 of 10	30	6	Finance
370	Ethyl/10	Floyd D. Gottwald Jr/61	515	19	—	534	13 of 24	41	14	Administration
37	Exxon/37	Clifton C. Garvin Jr/62	1,210	56	517	1,783	2 of 23	37	8	Technical
580	Farm & Home Savings/54	C. A. Duncan Jr/66	344	—	—	344	9 of 29	39	28	Banking
764	Farm House Foods/52	[14]Richard Y. Fisher/51	180	16	—	196	18 of 18	15	15	Founder
306	Farmers Group/26	Richard G. Lindsley/62	545	52	—	597	11 of 27	33	5	Insurance
788	Federal Co/20	R. Lee Taylor II/42	160	—	—	160	9 of 10	18	2	Administration
423	Federal Express/22	Frederick W. Smith/39	468	20	—	488	5 of 8	13	13	Founder
627	Fedl National Mortgage/43	David O. Maxwell/54	310	—	—	310	2 of 2	3	3	Legal
137	Federated Dept Strs/49	Howard Goldfeder/58	600	20	266	886	5 of 10	37	3	Retailing
181	Fidelcor/ 4	[15]Raymond J. Dempsey/49	471	308	—	779	10 of 151	5	5	Banking
622	Fidelity Union Bancorp/ 4	Peter Cartmell/63	314	—	—	314	98 of 151	38	3	Banking
67	Fin Corp of America/54	Charles W. Knapp/49	1,193	20	—	1,213	3 of 29	11	9	Finance
769	Fin Corp Santa Barbara/54	David L. Tilton/57	184	5	—	189	27 of 29	32	18	Finance
200	Firestone/53	John J. Nevin/57	748	—	—	748	3 of 4	4	3	Marketing
509	First Alabama Bshs/ 4	[16]Frank A. Plummer/72	375	30	—	405	63 of 151	19	13	Banking
335	First American/ 4	Kenneth L. Roberts/51	283	134	159	576	29 of 151	8	7	Banking
289	First Atlanta/ 4	Thomas R. Williams/55	448	48	114	610	23 of 151	11	7	Banking
367	First Bank System/ 4	George H. Dixon/63	519	18	—	537	34 of 151	7	2	Finance
16	First Boston/27	Peter T. Buchanan/49	1,500	1,168	—	2,668	1 of 5	28	1	Finance
122	First Chicago/ 4	Barry F. Sullivan/53	716	228	—	944	7 of 151	3	3	Banking
539	First City Bancorp/ 4	James A. Elkins Jr/65	384	—	—	384	72 of 151	42	21	Banking
654	First Commerce/ 4	Ian Arnof/44	199	—	93	292	111 of 151	5	1	Banking
792	First Empire State/ 4	Robert G. Wilmers/50	154	—	—	154	148 of 151	1	1	Banking
205	First Executive/26	Fred Carr/53	742	—	—	742	4 of 27	9	9	Finance
675	First Federal Michigan/54	James A. Aliber/58	277	—	—	277	16 of 29	27	7	Banking
805	First Florida Banks/ 4	A. Bronson Thayer/44	9[17]	—	—	9	151 of 151	2	1	Finance
600	First Hawaiian/ 4	John D. Bellinger/61	332	—	—	332	88 of 151	42	14	Founder
109	First Interstate Bancp/ 4	Joseph J. Pinola/59	820	—	160	980	4 of 151	8	6	Banking
613	First Kentucky Natl/ 4	A. Stevens Miles/54	234	89	—	323	94 of 151	30	9	Banking
533	First Maryland Bancorp/ 4	J. Owen Cole/55	356	32	—	388	70 of 151	27	10	Administration

[13]Succeeded by Orin R. Smith, 2/21/84
[14]Succeeded by Donald E. Runge, 4/26/84
[15]Succeeded by Harold W. Pote, 5/5/84
[16]Succeeded by Willard L. Hurley, 1/1/84
[17]Director's fees only

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000)				Rank in industry	Tenure		Business background
			alary and bonus	other	stock gains	total		with firm	as CEO	
777	First National Cinc/ 4	Oliver W. Waddell/54	174	6	—	180	145 of 151	27	1	Banking
537	First Natl State Bcp/ 4	Robert R. Ferguson Jr/60	376	10	—	386	71 of 151	34	11	Banking
606	First Natl Supermkts/51	Richard J. Bogomolny/49	324	5	—	329	13 of 16	11	9	Administration
592	First of America Bank/ 4	James H. Duncan/59	336	—	—	336	86 of 151	34	14	Banking
786	First Oklahoma Bancorp/ 4	Charles A. Vose Jr/40	128	10	25	163	147 of 151	19	3	Banking
709	First Pennsylvania/ 4	George A. Butler/56	247	—	—	247	131 of 151	34	4	Banking
709	First Security/ 4	Spencer F. Eccles/49	241	6	—	247	130 of 151	25	3	Banking
645	First Tennessee Natl/ 4	Ronald Terry/53	296	—	—	296	106 of 151	27	10	Banking
296	First Union/ 4	[18]C. Clifford Cameron/64	543	26	36	605	24 of 151	20	17	Banking
603	First Virginia Banks/ 4	Thomas K. Malone Jr/64	291	11	29	331	90 of 151	33	5	Banking
511	First Wisconsin/ 4	Hal C. Kuehl/61	290	—	113	403	64 of 151	36	6	Banking
269	Fischbach/ 6	Alfred R. Manville/67	647	—	—	647	2 of 5	12	4	Technical
224	Fleet Financial/ 4	J. Terrence Murray/44	406	30	277	713	16 of 151	21	2	Finance
308	Fleetwood Enterprises/45	John C. Crean/58	596	—	—	596	2 of 2	34	34	Founder
356	Fleming Cos/52	Richard D. Harrison/61	553	—	—	553	5 of 18	30	18	Legal
531	Flickinger/52	Jerry D. Metcalf/46	389	—	—	389	12 of 18	7	3	Operations
712	Florida Federal S&L/54	Raleigh W. Greene Jr/57	245	—	—	245	22 of 29	21	14	Legal
738	Florida National Banks/ 4	John D. Uible/48	224	—	—	224	136 of 151	2	1	Banking
649	Florida Power & Light/59	John J.Hudiburg/56	282	12	—	294	26 of 76	32	1	Technical
719	Florida Progress/59	Andrew H. Hines Jr/61	242	—	—	242	38 of 76	32	11	Technical
99	Fluor/ 6	J. Robert Fluor/62	1,020	—	—	1,020	1 of 5	38	16	Technical
177	FMC/28	Robert H. Malott/57	737	50	—	787	4 of 14	31	12	Operations
481	Food Lion/51	Ralph W. Ketner/63	400	30	—	430	12 of 16	26	26	Founder
1	Ford Motor/ 3	Philip Caldwell/64	1,421	—	5,892	7,313	1 of 9	31	4	Administration
333	Fort Howard Paper/38	Paul J. Schierl/49	422	30	125	577	8 of 18	20	9	Legal
761	Foster Wheeler/28	Louis E. Azzato/53	191	—	8	199	14 of 14	32	3	Technical
409	Freeport-McMoRan/10	Benno C. Schmidt/71	487	14	—	501	16 of 24	30	1	Legal
53	Fruehauf/ 3	Robert D. Rowan/62	581	—	786	1,367	4 of 9	28	10	Finance
39	Gannett/41	Allen H. Neuharth/60	1,138	—	583	1,721	1 of 9	21	11	Journalism
477	GATX/22	James J. Glasser/49	350	81	—	431	6 of 8	22	5	Legal
203	GEICO/26	John J. Byrne/51	386	360	—	746	3 of 27	8	8	Insurance
623	Gelco/ 9	N. Bud Grossman/63	313	—	—	313	11 of 11	27	27	Founder
447	[19]GenCorp/53	Michael G. O'Neil/62	462	—	—	462	4 of 4	38	24	Administration
423	General Cinema/47	Richard A. Smith/59	488	—	—	488	4 of 6	37	37	Administration
31	General Dynamics/ 1	David S. Lewis/66	987	15	899	1,901	3 of 11	13	13	Administration
13	General Electric/16	John F. Welch Jr/48	1,131	27	1,673	2,831	1 of 9	23	3	Technical
104	General Foods/19	James L. Ferguson/58	776	42	177	995	3 of 17	21	10	Marketing
45	General Instrument/17	Frank G. Hickey/56	847	18	655	1,520	3 of 17	19	9	Marketing
198	General Mills/19	H. Brewster Atwater Jr/53	724	31	—	755	7 of 17	26	3	Marketing
46	General Motors/ 3	Roger B. Smith/58	1,490	21	—	1,511	3 of 9	34	3	Finance
668	General Public Utils/59	William G. Kuhns/62	284	—	—	284	29 of 76	28	17	Finance
501	General Re/26	Frank W. Munson/56	335	75	—	410	20 of 27	30	1	Insurance
272	General Signal/40	[20]Nathan R. Owen/65	635	8	—	643	4 of 7	23	22	Technical
528	Genuine Parts/52	Wilton Looney/65	368	24	—	392	11 of 18	45	22	Operations
429	Georgia-Pacific/ 5	T. Marshall Hahn Jr/57	452	28	—	480	15 of 17	9	1	Technical

[18]Succeeded by Edward E. Crutchfield Jr., 4/24/84
[19]Formerly General Tire & Rubber.
[20]Succeeded by David T. Kimball, 4/19/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
170	Giant Food/51	Israel Cohen/71	802	—	—	802	4 of 16	48	6	Founder
678	Gibraltar Financial/54	Herbert J. Young/52	276	—	—	276	17 of 29	31	15	Administration
491	Gibraltar Savings/54	E. Michael Lallinger/68	421	—	—	421	7 of 29	28	20	Finance
166	Gillette/12	Colman M. Mockler Jr/54	511	—	300	811	2 of 4	26	9	Finance
687	Glendale Federal S&L/54	Raymond D. Edwards/65	265	8	—	273	19 of 29	38	19	Marketing
641	Golden West Financial/54	[21]Herbert M. Sandler/52	298	—	—	298	14 of 29	20	20	Founder
474	B F Goodrich/34	John D. Ong/50	420	14	—	434	30 of 30	23	4	Legal
188	Goodyear/53	Robert E. Mercer/60	765	—	8	773	2 of 4	37	1	Administration
254	Gould/16	William T. Ylvisaker/60	660	9	—	669	6 of 9	16	16	Administration
154	W R Grace/10	J. Peter Grace/71	769	82	—	851	7 of 24	47	38	Finance
491	W W Grainger/52	David W. Grainger/56	391	30	—	421	9 of 18	34	10	Administration
585	Great American Federal/54	Gordon C. Luce/58	339	—	—	339	10 of 29	15	15	Administration
83	Great Atl & Pac Tea/51	James Wood/54	893	202	—	1,095	2 of 16	4	4	Retailing
501	Great Northern Nekoosa/38	Robert Hellendale/66	395	—	15	410	17 of 18	30	5	Legal
346	Great Western Financial/54	James F. Montgomery/49	562	—	—	562	6 of 29	8	5	Finance
171	Greyhound/34	John W. Teets/50	734	—	67	801	18 of 30	20	2	Administration
449	Grumman/ 1	John C. Bierwirth/60	448	10	—	458	10 of 11	11	9	Finance
70	GTE/11	Theodore F. Brophy/61	961	226	—	1,187	2 of 17	26	8	Legal
760	Guarantee Finl Calif/54	Lewis S. Eaton/65	200	—	—	200	25 of 29	38	28	Banking
68	Gulf/37	James E. Lee/62	750	27	419	1,196	4 of 23	42	2	Operations
312	Gulf & Western Inds/34	Martin S. Davis/57	585	6	—	591	25 of 30	26	1	Marketing
568	Gulf States Utilities/59	Paul W. Murrill/49	308	6	40	354	13 of 76	6	2	Administration
488	Gulfstream Aerospace/ 1	Allen E. Paulson/62	423	—	—	423	11 of 11	32	32	Founder
294	Halliburton/35	Thomas H. Cruikshank/53	453	155	—	608	6 of 11	15	1	Legal
289	Hammermill Paper/38	Albert F. Duval/63	357	12	241	610	6 of 18	24	13	Marketing
484	Harris Bankcorp/ 4	[22]Charles M. Bliss/62	426	—	—	426	55 of 151	40	6	Banking
184	Harris Corp/17	Joseph A. Boyd/63	650	—	127	777	7 of 17	22	6	Technical
450	Hartford National/ 4	Robert L. Newell/61	350	76	31	457	50 of 151	38	8	Banking
203	G Heileman Brewing/14	Russell G. Cleary/51	569	13	164	746	2 of 5	24	13	Legal
101	H J Heinz/18	Anthony J. F. O'Reilly/48	675	190	145	1,010	2 of 6	15	4	Legal
156	Hercules/10	Alexander F. Giacco/64	764	73	—	837	9 of 24	42	6	Technical
223	Hershey Foods/21	[23]William E. C. Dearden/61	465	252	—	717	3 of 3	26	8	Sales
217	Hewlett-Packard/40	John A. Young/52	729	—	—	729	2 of 7	25	6	Technical
440	Hilton Hotels/24	Barron Hilton/56	469	—	—	469	5 of 5	29	18	Administration
40	Holiday Inns/24	Michael D. Rose/42	561	1,118	—	1,679	1 of 5	10	3	Operations
680	Home Federal S&L-Cal/54	Kim Fletcher/56	275	—	—	275	18 of 29	33	15	Finance
505	Homestake Mining/33	Harry M. Conger/53	409	—	—	409	2 of 2	8	5	Technical
232	Honeywell/ 7	Edson W. Spencer/58	692	—	—	692	6 of 23	29	9	Sales
614	Horizon Bancorp/ 4	William J. Shepherd/58	254	67	—	321	95 of 151	19	7	Sales
585	George A Hormel/20	Richard L. Knowlton/52	339	—	—	339	7 of 10	35	2	Marketing
50	Hospital Corp of Am/23	Dr. Thomas F. Frist Jr/46	270	377	757	1,404	1 of 10	15	1	Finance
124	Household Intl/13	Donald C. Clark/52	871	71	—	942	2 of 5	29	1	Finance
541	Houston Industries/59	Don D. Jordan/52	367	16	—	383	10 of 76	27	7	Legal
515	Houston Natural Gas/60	M. D. Matthews/60	401	—	—	401	16 of 21	20	2	Finance
553	Hughes Tool/35	James R. Lesch/62	370	—	—	370	10 of 11	37	4	Administration

[21]Office jointly held with Marion O. Sandler
[22]Succeeded by B. Kenneth West, 1/1/84
[23]Succeeded by Richard A. Zimmerman, 1/1/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
181	Humana/23	David A. Jones/52	721	58	—	779	5 of 10	22	22	Founder
435	Huntington Bancshares/ 4	Frank Wobst/50	422	15	39	476	47 of 151	9	3	Banking
44	E F Hutton Group/27	Robert Fomon/59	1,500	49	—	1,549	3 of 5	33	13	Investment
141	IC Industries/42	William B. Johnson/65	863	12	—	875	4 of 6	18	18	Legal
788	Idaho Power/59	James E. Bruce/64	151	9	—	160	70 of 76	32	7	Legal
734	Illinois Power/59	Wendell J. Kelley/58	225	1	—	226	47 of 76	34	17	Technical
617	Imperial Corp of Am/54	Matthew J. Shevlin/58	225	92	—	317	12 of 29	2	2	Finance
690	Indiana National/ 4	Thomas M. Miller/54	268	1	—	269	123 of 151	29	3	Banking
411	Ingersoll-Rand/28	Thomas A. Holmes/60	402	83	15	500	9 of 14	34	3	Operations
572	Inland Steel/31	Frank W. Luerssen/56	341	9	—	350	5 of 6	31	1	Technical
35	Integrated Resources/ 9	Selig A. Zises/42	1,826	—	—	1,826	2 of 11	16	16	Founder
417	Intel/17	Gordon E. Moore/55	493	—	—	493	11 of 17	15	9	Founder
517	Interco/55	Harvey Saligman/45	400	—	—	400	3 of 4	8	1	Technical
443	InterFirst/ 4	[24]Elvis L. Mason/50	465	—	—	465	49 of 151	10	3	Banking
794	Intergraph/ 7	James W. Meadlock/50	149	—	—	149	23 of 23	15	15	Founder
20	IBM/ 7	John R. Opel/59	989	—	1,391	2,380	2 of 23	34	3	Sales
431	Intl Flavors & Frag/10	Henry G. Walter Jr/73	477	—	—	477	18 of 24	21	21	Legal
404	Intl Harvester/28	Donald D. Lennox/65	508	—	—	508	8 of 14	4	2	Operations
413	Intl Minerals & Chem/10	George D. Kennedy/58	350	146	—	496	17 of 24	13	1	Administration
276	International Paper/38	Edwin A. Gee/64	637	—	—	637	4 of 18	6	4	Technical
382	InterNorth/60	Sam F. Segnar/56	506	19	—	525	11 of 21	23	4	Technical
764	Iowa-Illinois G & E/59	[25]Dean R. Stichnoth/58	186	10	—	196	60 of 76	33	7	Legal
755	IPALCO Enterprises/59	Zane G. Todd/60	203	—	—	203	56 of 76	32	8	Operations
195	Irving Bank/ 4	Gordon T. Wallis/64	761	—	—	761	12 of 151	43	13	Finance
47	ITT/34	Rand V. Araskog/52	1,023	—	454	1,477	4 of 30	17	4	Administration
79	IU International/34	John Gilray Christy/51	656	12	452	1,120	8 of 30	12	3	Operations
482	James River Corp Va/38	Brenton S. Halsey/57	422	5	—	427	16 of 18	15	15	Founder
283	Jefferson-Pilot/26	W. Roger Soles/63	560	—	60	620	9 of 27	37	16	Investment
340	Jewel Cos/51	Weston R. Christopherson/59	568	—	—	568	7 of 16	33	4	Retailing
370	Jim Walter/ 5	Joe B. Cordell/56	534	—	—	534	14 of 17	25	1	Finance
157	Johnson & Johnson/23	James E. Burke/59	835	—	—	835	4 of 10	31	7	Marketing
174	Johnson Controls/40	[26]Fred L. Brengel/61	716	—	75	791	1 of 7	36	17	Sales
59	K mart/50	Bernard M. Fauber/61	750	18	515	1,283	1 of 15	42	4	Retailing
381	Kaiser Alum & Chem/32	Cornell C. Maier/59	527	—	—	527	5 of 8	34	11	Operations
751	Kansas City Pwr & Lt/59	Arthur J. Doyle/61	208	1	—	209	55 of 76	11	4	Legal
796	Kansas Gas & Electric/59	Wilson K. Cadman/57	142	2	—	144	75 of 76	33	3	Administration
791	Kansas Power & Light/59	William E. Wall/56	155	—	—	155	72 of 76	9	8	Legal
190	Kellogg/19	William E. LaMothe/57	685	23	60	768	5 of 17	33	5	Marketing
762	Kemper/26	Joseph E. Luecke/57	198	—	—	198	26 of 27	32	5	Insurance
778	Kentucky Utilities/59	William B. Bechanan/58	169	9	—	178	65 of 76	35	5	Technical
592	Kerr-McGee/37	Frank A. McPherson/51	336	—	—	336	22 of 23	24	1	Technical
487	Key Banks/ 4	Victor J. Riley Jr/52	424	—	—	424	57 of 151	20	10	Finance
14	Kidde/34	Fred R. Sullivan/69	955	1	1,832	2,788	3 of 30	20	20	Finance
353	Kimberly-Clark/38	Darwin E. Smith/58	556	—	—	556	11 of 18	26	12	Legal
310	Knight-Ridder News/41	Alvah H. Chapman Jr/63	595	—	—	595	6 of 9	23	8	Operations

[24]Succeeded by Robert H. Stewart III, 4.18.84.
[25]Deceased, succeeded by Barry C. O'Brien, 3.27.84.
[26]Succeeded by William L. Rootham, 1.27.84.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
693	Koppers/10	Charles R. Pullin/60	260	4	—	264	24 of 24	38	2	Administration
389	Kroger/51	Lyle Everingham/58	522	—	—	522	10 of 16	37	6	Retailing
180	Lear Siegler/34	Robert T. Campion/62	550	22	208	780	19 of 30	26	13	Finance
533	Leaseway Transportn/22	Gerald C. McDonough/55	384	4	—	388	8 of 8	4	1	Finance
159	Levi Strauss/57	[27]Robert T. Grohman/59	830	—	—	830	1 of 2	10	2	Administration
215	Libbey-Owens-Ford/ 5	Don T. McKone/62	427	1	305	733	8 of 17	35	5	Administration
696	Liberty National/ 4	John W. McLean/62	261	—	—	261	126 of 151	16	16	Banking
92	Eli Lilly/15	Richard D. Wood/57	696	183	171	1,050	3 of 16	34	11	Marketing
234	Limited/48	Leslie H. Wexner/46	691	—	—	691	2 of 3	20	20	Founder
541	Lincoln First Banks/ 4	[28]Alexander D. Hargrave/64	383	—	—	383	73 of 151	21	10	Legal
393	Lincoln National/26	Ian M. Rolland/51	519	—	—	519	15 of 27	27	7	Insurance
115	Litton Industries/34	Fred W. O'Green/63	936	23	—	959	10 of 30	21	2	Technical
224	Lockheed/ 1	Roy A. Anderson/63	698	15	—	713	8 of 11	27	6	Finance
284	Loews/58	Laurence A. Tisch/61	605	14	—	619	5 of 5	24	23	Finance
730	Long Island Lighting/59	[29]Charles R. Pierce/62	230	1	—	231	45 of 76	34	6	Legal
709	Longs Drug Stores/50	Robert M. Long/46	247	—	—	247	15 of 15	23	7	Retailing
315	Louisiana Land/35	[30]John G. Phillips/61	506	84	—	590	7 of 11	32	12	Finance
19	Louisiana-Pacific/ 5	Harry A. Merlo/59	602	778	1,133	2,513	2 of 17	34	10	Marketing
786	Louisville Gas & Elec/59	Robert L. Royer/56	156	7	—	163	69 of 76	35	5	Technical
450	Lowe's Companies/52	Leonard G. Herring/57	397	60	—	457	6 of 18	28	5	Finance
158	LTV/34	Raymond A. Hay/55	806	26	—	832	15 of 30	9	1	Administration
379	Lubrizol/10	Lester E. Coleman/53	515	14	—	529	14 of 24	29	6	Technical
382	Lucky Stores/51	S. Donley Ritchey/50	487	—	38	525	9 of 16	32	4	Operations
671	M/A-Com/17	Richard T. DiBona/51	250	31	—	281	15 of 17	26	2	Technical
303	Mack Trucks/ 3	[31]Alfred W. Pelletier/62	237	362	—	599	7 of 9	32	8	Administration
22	R H Macy/49	Edward S. Finkelstein/59	795	90	1,317	2,202	2 of 10	35	3	Retailing
455	Malone & Hyde/52	Joseph R. Hyde III/41	455	—	—	455	5 of 18	19	15	Administration
181	Manufacturers Hanover/ 4	John F. McGillicuddy/53	779	—	—	779	11 of 151	25	5	Legal
654	Manufacturers Natl/ 4	Dean E. Richardson/56	292	—	—	292	109 of 151	30	11	Banking
343	Manville/ 5	John A. McKinney/60	557	7	—	564	13 of 17	32	7	Legal
484	MAPCO/36	[32]Willis H. Thompson Jr/50	399	27	—	426	7 of 10	7	4	Operations
693	Marine/ 4	George R. Slater/60	264	—	—	264	124 of 151	8	6	Banking
372	Marine Midland Banks/ 4	John R. Petty/54	519	14	—	533	36 of 151	7	1	Banking
526	Marion Laboratories/15	Ewing M. Kauffman/67	392	2	—	394	15 of 16	32	32	Founder
273	Marriott/24	J. Willard Marriott Jr/52	642	—	—	642	2 of 5	28	11	Administration
149	Marsh & McLennan/ 9	John M. Regan Jr/63	611	245	—	856	6 of 11	38	11	Insurance
419	Marshall & Ilsley/ 4	John A. Puelicher/63	275	—	215	490	42 of 151	38	26	Banking
51	Martin Marietta/34	Thomas G. Pownall/62	805	—	584	1,389	5 of 30	21	2	Marketing
689	Maryland National/ 4	Alan P. Hoblitzell Jr/52	249	1	20	270	122 of 151	28	1	Banking
256	Masco/ 5	Richard A. Manoogian/47	664	—	—	664	11 of 17	26	16	Administration
199	May Dept Stores/49	David C. Farrell/50	750	—	—	750	6 of 10	28	4	Retailing
318	Maytag/25	Daniel J. Krumm/57	372	—	213	585	1 of 3	31	10	Marketing
376	MCA/47	Lew R. Wasserman/71	500	30	—	530	3 of 6	47	37	Sales
397	McDonald's/24	Fred L. Turner/51	470	45	—	515	3 of 5	28	10	Retailing
297	McDonnell Douglas/ 1	Sanford N. McDonnell/61	567	37	—	604	9 of 11	35	12	Technical

[27]Succeeded by Robert D. Haas, 2/27/84.
[28]Succeeded by William Balderston III, 1/5/84.
[29]Succeeded by William J. Catacosinos, 1/30/84.
[30]Succeeded by E. L. Williamson, 1/1/84.
[31]Succeeded by John J. Curcio, 1/1/84.
[32]Succeeded by James E. Barnes, 2/15/84.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
151	McGraw-Edison/16	Edward J. Williams/61	424	431	—	855	4 of 9	12	11	Finance
328	McGraw-Hill/41	Joseph L. Dionne/50	445	46	89	580	7 of 9	18	1	Operations
271	MCI Communications/11	William G. McGowan/56	592	52	—	644	3 of 17	15	15	Founder
265	McKesson/52	[33]Thomas E. Drohan/56	585	33	33	651	3 of 18	22	6	Finance
337	Mead/38	Burnell R. Roberts/57	493	—	78	571	9 of 18	18	2	Finance
598	Medtronic '23	Dale R. Olseth/53	301	32	—	333	9 of 10	8	8	Administration
237	Mellon National/ 4	J. David Barnes/55	630	59	—	689	18 of 151	28	3	Banking
259	Melville/48	Francis C. Rooney Jr/62	661	—	—	661	3 of 3	31	20	Retailing
484	Mercantile Bancorp/ 4	Donald E. Lasater/58	410	16	—	426	56 of 151	25	13	Legal
209	Mercantile Bankshares/ 4	H. Furlong Baldwin/52	280	14	443	737	14 of 151	17	8	Banking
256	Mercantile Stores/49	Leon F. Winbigler/58	629	35	—	664	9 of 10	35	9	Retailing
274	Mercantile Texas/ 4	Gene H. Bishop/54	640	—	—	640	21 of 151	9	9	Banking
696	Merchants National/ 4	Otto N. Frenzel III/53	259	2	—	261	127 of 151	29	11	Banking
169	Merck/15	John J. Horan/63	804	—	—	804	7 of 16	32	8	Legal
565	Meridian Bancorp/ 4	Samuel A. McCullough/45	332	27	—	359	80 of 151	8	6	Banking
62	Merrill Lynch/27	Roger E. Birk/53	1,195	56	—	1,251	4 of 5	29	3	Finance
194	Mesa Petroleum/35	T. Boone Pickens Jr/56	475	289	—	764	2 of 11	27	27	Founder
134	MGM/UA Entertainment/47	Frank Rothman/56	898	—	—	898	2 of 6	2	2	Legal
576	MGM/UA Home Enter/47	Seymour Leslie/60	348	—	—	348	5 of 6	2	2	Administration
630	Michigan National/ 4	Stanford C. Stoddard/53	306	—	—	306	100 of 151	29	12	Banking
395	MidCon/60	Orval C. Davis/64	484	32	—	516	14 of 21	37	6	Technical
505	Middle South Utilities/59	Floyd W. Lewis/58	398	11	—	409	5 of 76	34	12	Legal
197	Midlantic Banks/ 4	Robert Van Buren/59	541	116	102	759	13 of 151	13	7	Banking
264	Minn Mining & Mfg/34	Lewis W. Lehr/63	653	—	—	653	23 of 30	37	5	Technical
739	Minnesota Power/59	Jack F. Rowe/57	206	17	—	223	49 of 76	33	5	Technical
457	Mitchell Energy & Dev/36	George P. Mitchell/65	448	6	—	454	6 of 10	38	25	Founder
38	Mobil/37	Rawleigh Warner Jr/63	1,252	431	56	1,739	3 of 23	30	14	Finance
603	Molex/17	John H. Krehbiel Jr/46	268	63	—	331	14 of 17	27	27	Administration
801	Monfort Of Colorado/20	Kenneth Monfort/55	127	—	—	127	10 of 10	34	4	Founder
267	Monsanto/10	Richard J. Mahoney/50	635	14	—	649	12 of 24	22	1	Marketing
795	Montana Power/59	W. Paul Schmechel/57	140	6	—	146	74 of 76	30	1	Operations
611	Moore Financial/ 4	[34]Thomas C. Frye/65	322	2	—	324	93 of 151	46	14	Banking
112	J P Morgan/ 4	Lewis T. Preston/57	820	75	80	975	6 of 151	32	4	Banking
439	Morrison-Knudsen/ 6	William H. McMurren/56	471	—	—	471	5 of 5	29	11	Operations
121	Morton Thiokol/10	Charles S. Locke/55	698	1	252	951	4 of 24	8	4	Operations
356	Motorola/17	Robert W. Galvin/61	550	3	—	553	9 of 17	44	24	Administration
734	Mountain Fuel Supply/60	R. D. Cash/41	208	18	—	226	20 of 21	7	2	Technical
477	Murphy Oil/37	[35]Charles H. Murphy Jr/64	415	16	—	431	20 of 23	34	34	Founder
69	Nabisco Brands/19	Robert M. Schaeberle/61	1,016	18	161	1,195	1 of 17	37	10	Finance
463	Nalco Chemical/10	Worley H. Clark Jr/52	425	21	—	446	19 of 24	24	2	Sales
769	Natl Bancshares Texas/ 4	Richard W. Calvert/52	189	—	—	189	142 of 151	21	1	Banking
339	National Can/38	Frank W. Considine/62	550	19	—	569	10 of 18	22	11	Sales
362	National City/ 4	Julien L. McCall/63	439	36	69	544	33 of 151	12	3	Banking
229	National Distillers/34	Drummond C. Bell/68	679	—	19	698	21 of 30	27	13	Finance
535	National Intergroup/31	Howard M. Love/54	387	—	—	387	4 of 6	28	4	Operations

[33]Deceased, succeeded by Neil E. Harlan, 2/9/84
[34]Succeeded by Fred C. Humphreys, 1/1/84
[35]Succeeded by Robert J. Sweeney, 2/1/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
80	Natl Medical Enterprises/23	Richard K. Eamer/56	916	188	—	1,104	2 of 10	15	15	Founder
726	Natl Semiconductor/17	Charles E. Sporck/56	219	17	—	236	17 of 17	17	17	Production
531	National Svc Inds/ 9	Erwin Zaban/62	389	—	—	389	9 of 11	47	11	Administration
329	NBD Bancorp/ 4	Charles T. Fisher III/54	553	26	—	579	28 of 151	25	2	Banking
494	NCNB/ 4	Hugh L. McColl Jr/48	413	7	—	420	59 of 151	24	1	Banking
186	NCR/ 8	Charles E. Exley Jr/54	774	—	—	774	1 of 3	7	1	Finance
558	New England Electric/59	Guy W. Nichols/58	363	—	—	363	12 of 76	36	12	Administration
781	N Y State Elec & Gas/59	Wells P. Allen Jr/63	167	5	—	172	67 of 76	35	1	Technical
127	New York Times/41	Arthur O. Sulzberger/58	600	180	150	930	2 of 9	30	21	Journalism
391	Newmont Mining/32	Plato Malozemoff/74	511	9	—	520	6 of 8	38	30	Administration
705	Niagara Mohawk Power/59	John G. Haehl Jr/61	249	1	—	250	34 of 76	22	11	Finance
303	NICOR/60	Clarence J. Gauthier/62	336	263	—	599	6 of 21	38	12	Technical
66	A C Nielsen/ 9	[36]Arthur C. Nielsen Jr/65	1,166	54	—	1,220	3 of 11	38	8	Marketing
743	Nike/55	Philip H. Knight/46	175	42	—	217	4 of 4	20	20	Founder
407	NL Industries/35	Theodore C. Rogers/50	425	78	—	503	9 of 11	4	2	Operations
318	Noble Affiliates/35	[37]Roy Butler/58	417	17	151	585	8 of 11	28	4	Operations
372	Norfolk Southern/42	Robert B. Claytor/62	520	13	—	533	6 of 6	32	2	Legal
467	Norstar Bancorp/ 4	Peter D. Kiernan/60	349	92	—	441	53 of 151	10	10	Insurance
240	North American Philips/16	Cees Bruynes/51	530	—	155	685	5 of 9	9	2	Marketing
803	Northeast Savings/54	Kent Dixon/46	111	—	—	111	29 of 29	23	1	Banking
700	Northeast Utilities/59	William B. Ellis/43	248	5	—	253	32 of 76	8	1	Technical
737	No Indiana Pub Svc/59	Edmund A. Schroer/56	225	—	—	225	48 of 76	7	7	Legal
499	Northern States Power/59	Donald W. McCarthy/62	406	7	—	413	4 of 76	35	7	Operations
552	Northern Trust/ 4	Philip W. K. Sweet Jr/56	371	—	—	371	76 of 151	30	3	Banking
63	Northrop/ 1	Thomas V. Jones/63	1,200	42	—	1,242	4 of 11	30	24	Administration
417	Northwest Airlines/ 2	M. Joseph Lapensky/65	450	—	43	493	4 of 11	39	5	Finance
255	Northwest Industries/34	Ben W. Heineman/70	625	42	—	667	22 of 30	28	28	Founder
598	Northwestern Financial/ 4	Ben T. Craig/51	322	11	—	333	87 of 151	6	6	Banking
467	Norton/29	Donald R. Melville/57	441	—	—	441	3 of 5	17	4	Marketing
498	Norwest/ 4	John W. Morrison/62	334	—	81	415	60 of 151	7	2	Administration
460	NYNEX/11	Delbert C. Staley/59	450*	—	—	450	10 of 17	38	1	Administration
143	Occidental Petroleum/36	Armand Hammer/86	841	26	—	867	2 of 10	26	26	Finance
78	Ogden/34	Ralph E. Ablon/68	1,125	—	—	1,125	7 of 30	29	22	Administration
716	Ohio Casualty/26	John G. Sloneker/62	236	7	—	243	25 of 27	36	5	Insurance
716	Ohio Edison/59	Justin T. Rogers Jr/54	243	—	—	243	37 of 76	25	4	Legal
724	Oklahoma Gas & Elec/59	James G. Harlow Jr/50	224	13	—	237	41 of 76	23	8	Finance
570	Old Kent Financial/ 4	John C. Canepa/53	270	—	83	353	82 of 151	14	2	Banking
646	Old Stone/ 4	Theodore W. Barnes/53	274	21	—	295	107 of 151	35	8	Banking
57	Olin/34	John M. Henske/61	637	—	674	1,311	6 of 30	14	6	Operations
186	Owens-Corning Fbrgls/ 5	William W. Boeschenstein/58	600	—	174	774	5 of 17	33	11	Marketing
228	Owens-Illinois/38	[38]Edwin D. Dodd/65	545	160	—	705	2 of 18	37	11	Production
348	PACCAR/28	Charles M. Pigott/55	559	—	—	559	7 of 14	28	16	Administration
507	Pacific Gas & Electric/59	Frederick W. Mielke Jr/63	384	22	--	406	6 of 76	33	5	Legal
293	Pacific Lighting/60	Paul A. Miller/59	590	19	—	609	5 of 21	35	15	Finance
530	Pacific Power & Light/59	Don C. Frisbee/60	390	—	—	390	8 of 76	30	12	Finance

*Annualized current salary.

[36]Succeeded by Henry Burk, 5/1/84.
[37]Succeeded by George J. McLeod, 6/1/84.
[38]Succeeded by Robert J. Lanigan, 1/1/84.

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
463	Pacific Resources/37	James F. Gary/63	446	—	—	446	18 of 23	17	17	Operations
631	Pacific Telesis Group/11	Donald E. Guinn/51	305*	—	—	305	14 of 17	24	1	Operations
27	Paine Webber/27	Donald B. Marron/49	2,013	—	—	2,013	2 of 5	25	4	Investment
435	Pan Am World Airways/ 2	C. Edward Acker/55	475	1	—	476	5 of 11	2	2	Administration
571	Panhandle Eastern/60	Robert D. Hunsucker/59	351	—	—	351	17 of 21	32	1	Finance
471	Parker-Hannifin/28	Patrick S. Parker/54	406	31	—	437	11 of 14	31	12	Administration
553	Payless Cashways/52	David Stanley/48	370	—	—	370	13 of 18	4	2	Legal
574	Pay'N Save/50	M. Lamont Bean/59	349	—	—	349	12 of 15	36	14	Retailing
287	Penn Central/35	Alfred W. Martinelli/56	604	12	—	616	4 of 11	24	2	Finance
465	J C Penney/49	William R. Howell/48	384	60	—	444	10 of 10	25	1	Retailing
749	Penn Power & Light/59	Robert K. Campbell/54	210	—	—	210	54 of 76	7	5	Technical
262	Pennzoil/37	J. Hugh Liedtke/62	600	58	—	658	16 of 23	28	21	Legal
753	Peoples Energy/60	Eugene A. Tracy/56	200	7	—	207	21 of 21	32	2	Finance
147	PepsiCo/21	Donald M. Kendall/63	859	—	—	859	2 of 3	37	21	Marketing
344	Perkin-Elmer/40	Robert H. Sorensen/63	361	—	202	563	5 of 7	24	6	Technical
288	Petrolane/35	John C. Wallace/57	412	2	198	612	5 of 11	33	1	Marketing
140	Pfizer/15	Edmund T. Pratt Jr/57	877	—	—	877	5 of 16	19	11	Finance
2	Phibro-Salomon/37	[39]David Tendler/46	2,080	30	4,711	6,821	1 of 23	24	3	Administration
678	Philadelphia Electric/59	James L. Everett/57	276	—	—	276	30 of 76	34	6	Technical
10	Philip Morris/58	George Weissman/64	1,075	40	2,604	3,719	1 of 5	32	5	Marketing
73	Phillips Petroleum/37	William C. Douce/64	801	367	—	1,168	5 of 23	42	5	Marketing
236	Pillsbury/19	William H. Spoor/61	666	24	—	690	11 of 17	34	11	Operations
509	Pioneer/60	C. David Culver/48	323	82	—	405	15 of 21	23	1	Operations
783	Pioneer Hi-Bred Intl/19	Thomas N. Urban/50	165	—	—	165	17 of 17	23	3	Administration
352	Pitney Bowes/ 8	George B. Harvey/53	557	—	—	557	3 of 3	27	1	Finance
333	Pittston/32	[40]Nicholas T. Camicia/68	460	117	—	577	2 of 8	15	14	Operations
325	PNC Financial/ 4	Merle E. Gilliand/62	550	31	—	581	27 of 151	31	14	Finance
4	Pneumo/51	Gerard S. Fulham/64	868	—	4,466	5,334	1 of 16	24	15	Finance
545	Polaroid/40	William J. McCune Jr/69	381	—	—	381	6 of 7	44	4	Technical
740	Portland Genl Elec/59	Robert H. Short/59	222	—	—	222	50 of 76	29	3	Finance
574	Potomac Elec Power/59	W. Reid Thompson/59	308	41	—	349	14 of 76	13	13	Legal
206	PPG Industries/ 5	L. Stanton Williams/64	566	175	—	741	7 of 17	38	5	Finance
702	Premier Industrial/ 3	Morton L. Mandel/63	250	1	—	251	9 of 9	44	44	Founder
749	Price Co/52	Robert E. Price/41	210	—	—	210	17 of 18	8	8	Founder
691	Primark/60	Robert W. Stewart/59	268	—	—	268	19 of 21	13	3	Marketing
562	Prime Computer/ 7	Joe M. Henson/50	360	—	—	360	17 of 23	2	2	Marketing
173	Procter & Gamble/19	John G. Smale/56	750	44	—	794	4 of 17	31	3	Administration
712	Provident Life & Acc/26	H. Carey Hanlin/59	245	—	—	245	24 of 27	35	5	Insurance
707	PSFS/54	M. Todd Cooke/64	248	1	—	249	21 of 29	18	5	Banking
748	Public Service Colo/59	Richard F. Walker/60	210	1	—	211	53 of 76	34	5	Technical
746	Public Service Ind/59	Hugh A. Barker/58	213	1	—	214	52 of 76	25	7	Finance
790	Public Service N H/59	Robert J. Harrison/52	157	—	—	157	71 of 76	27	1	Finance
538	Public Service N M/59	Jerry D. Geist/50	385	—	—	385	9 of 76	24	8	Technical
714	Pub Svc Elec & Gas/59	Harold W. Sonn/63	233	11	—	244	36 of 76	37	1	Administration
779	Puget Sound Pwr & Lt/59	John W. Ellis/55	172	5	—	177	66 of 76	14	8	Legal

*Annualized current salary

[39]Office jointly held with John H. Gutfreund

[40]Succeeded by Paul W. Douglas, 1/1/84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
192	Quaker Oats/19	William D. Smithburg/45	475	7	283	765	6 of 17	18	2	Marketing
431	Rainier Bancorp/ 4	G. Robert Truex Jr/60	477	—	—	477	46 of 151	10	10	Banking
299	Ralston Purina/19	William P. Stiritz/49	600	2	—	602	13 of 17	20	2	Marketing
636	Raychem/16	Paul M. Cook/60	300	—	—	300	8 of 9	27	27	Founder
192	Raytheon/ 1	Thomas L. Phillips/60	765	—	—	765	7 of 11	35	15	Technical
97	RCA/34	Thornton F. Bradshaw/66	1,014	18	—	1,032	9 of 30	3	2	Administration
757	Republic Airlines/ 2	Daniel F. May/54	201	—	—	201	11 of 11	27	2	Finance
379	Republic New York/ 4	Walter H. Weiner/53	529	—	—	529	38 of 151	4	4	Legal
606	Republic Steel/31	E. Bradley Jones/56	329	—	—	329	6 of 6	30	2	Sales
402	RepublicBank/ 4	James D. Berry/62	509	—	—	509	39 of 151	33	6	Banking
244	Revco D S/50	Sidney Dworkin/63	545	136	—	681	4 of 15	28	17	Founder
58	Revlon/12	Michel C. Bergerac/52	1,283	3	—	1,286	1 of 4	9	9	Administration
135	R J Reynolds Inds/58	J. Tylee Wilson/52	720	25	152	897	4 of 5	10	1	Sales
453	Reynolds Metals/32	David P. Reynolds/68	390	66	—	456	7 of 8	47	8	Marketing
477	Richardson-Vicks/15	John S. Scott/57	391	27	13	431	14 of 16	33	8	Marketing
411	Riggs National/ 4	Joe L. Allbritton/59	500	—	—	500	40 of 151	3	2	Finance
756	RIHT Financial/ 4	Henry S. Woodbridge Jr/55	197	5	—	202	140 of 151	29	9	Finance
462	Rite Aid/50	Alex Grass/56	447	—	—	447	8 of 15	31	21	Founder
207	Roadway Services/22	Charles F. Zodrow/61	740	—	—	740	2 of 8	24	2	Finance
539	A H Robins/15	E. Claiborne Robins Jr/40	378	6	—	384	16 of 16	15	6	Administration
771	Rochester Gas & Elec/59	Paul W. Briggs/61	183	3	—	186	62 of 76	38	3	Finance
94	Rockwell International/ 1	Robert Anderson/63	1,047	—	—	1,047	6 of 11	16	10	Technical
71	Rohm & Haas/10	Vincent L. Gregory Jr/60	649	117	414	1,180	2 of 24	34	13	Finance
494	ROLM/ 7	M. Kenneth Oshman/43	420	—	—	420	15 of 23	15	15	Founder
234	Ryder System/22	M. Anthony Burns/41	691	—	—	691	3 of 8	10	1	Finance
409	Safeco/26	Roland M. Trafton/64	318	34	149	501	16 of 27	31	5	Finance
310	Safeway Stores/51	Peter A. Magowan/42	571	24	—	595	6 of 16	16	4	Administration
340	St Paul Cos/26	[1]Carl B. Drake Jr/64	535	—	33	568	13 of 27	42	11	Insurance
414	St Regis Paper/38	William R. Haselton/59	465	30	—	495	13 of 18	31	5	Operations
639	San Diego Gas & Elec/59	Thomas A. Page/51	288	11	—	299	23 of 76	6	2	Technical
72	Sanders Associates/17	Jack L. Bowers/63	458	15	700	1,173	4 of 17	7	5	Technical
243	Santa Fe Southern/42	John J. Schmidt/56	681	2	—	683	5 of 6	28	1	Legal
200	Schering-Plough/15	Robert P. Luciano/50	590	28	130	748	10 of 16	5	2	Legal
548	SCM/10	Paul H. Elicker/61	372	6	—	378	20 of 24	27	12	Finance
427	SCOA Industries/50	Herbert H. Schiff/67	485	—	—	485	7 of 15	45	19	Retailing
285	Scott Paper/38	Philip E. Lippincott/48	615	—	2	617	5 of 18	25	2	Operations
49	G D Searle/15	Donald H. Rumsfeld/51	833	101	481	1,415	1 of 16	7	7	Administration
7	Sears, Roebuck/49	Edward R. Telling/65	1,425	30	2,796	4,251	1 of 10	38	6	Retailing
55	Security Pacific/ 4	Richard J. Flamson III/55	788	—	562	1,350	1 of 151	29	5	Banking
190	SEDCO/35	B. Gill Clements/42	423	345	—	768	1 of 11	15	5	Finance
474	Service Merchandise/50	Raymond Zimmerman/51	433	1	—	434	9 of 15	23	11	Founder
780	ServiceMaster Inds/23	C. William Pollard/46	175	—	—	175	10 of 10	7	1	Legal
617	Shared Medical Systems/ 7	R. James Macaleer/50	317	—	—	317	19 of 23	15	15	Founder
660	Shawmut/ 4	John P. LaWare/56	289	—	—	289	113 of 151	5	3	Banking
108	Shell Oil/37	John F. Bookout/61	950	32	—	982	8 of 23	33	8	Technical

[1]Succeeded by Robert J. Haugh, 5.1.84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
21	Sherwin-Williams/ 5	John G. Breen/49	730	—	1,569	2,299	3 of 17	5	5	Operations
164	Signal Cos/34	Forrest N. Shumway/57	775	38	—	813	16 of 30	27	16	Legal
376	Singer/34	Joseph B. Flavin/55	530	—	—	530	27 of 30	8	8	Finance
336	SmithKline Beckman/15	Henry Wendt III/50	503	25	44	572	12 of 16	29	2	Marketing
242	Society/ 4	Gordon E. Heffern/60	342	—	342	684	19 of 151	10	1	Banking
164	Sonat/60	[42]Henry C. Goodrich/64	675	138	—	813	3 of 21	4	3	Technical
766	So Carolina E & G/59	Virgil C. Summer/63	183	11	—	194	61 of 76	46	4	Operations
662	South Carolina Natl/ 4	James G. Lindley/52	277	11	—	288	114 of 151	5	3	Operations
675	Southeast Banking/ 4	Charles J. Zwick/57	277	—	—	277	118 of 151	15	4	Finance
395	Southern Calif Edison/59	William R. Gould/64	506	10	—	516	2 of 76	36	3	Technical
511	Southern Company/59	Edward L. Addison/54	403	—	—	403	7 of 76	30	1	Technical
723	So New England Tel/11	[43]Alfred W. Van Sinderen/59	230	9	—	239	17 of 17	36	16	Operations
261	Southland/51	John P. Thompson/58	630	29	—	659	5 of 16	35	23	Finance
501	Southland Royalty/36	Jon Brumley/45	369	41	—	410	8 of 10	17	10	Administration
445	Southmark/43	Gene E. Phillips/46	464	—	—	464	1 of 2	7	7	Administration
557	SouthTrust/ 4	Wallace D. Malone Jr/47	325	39	—	364	77 of 151	25	3	Banking
595	Southwest Airlines/ 2	Herbert D. Kelleher/53	335	—	—	335	7 of 11	17	2	Legal
609	Southwest Bancshares/ 4	John T. Cater/48	328	—	—	328	92 of 151	7	7	Banking
437	Southwestern Bell/11	Zane E. Barnes/62	475*	—	—	475	8 of 17	42	9	Operations
707	Southwestern Pub Svc/59	Berl M. Springer/63	245	4	—	249	35 of 76	37	3	Technical
567	Sovran Financial/ 4	Clifford A. Cutchins III/60	342	14	—	356	81 of 151	36	4	Banking
408	Sperry/ 7	Gerald G. Probst/60	463	39	—	502	12 of 23	22	2	Technical
680	Square D/16	Dalton L. Knauss/56	275	—	—	275	9 of 9	15	1	Technical
175	Squibb/15	Richard M. Furlaud/61	790	—	—	790	8 of 16	28	18	Legal
216	A E Staley Mfg/19	Donald E. Nordlund/62	507	—	225	732	9 of 17	28	11	Administration
128	Standard Oil Calif/37	George M. Keller/60	883	40	—	923	10 of 23	36	3	Technical
245	Standard Oil Indiana/37	Richard M. Morrow/58	648	32	—	680	15 of 23	35	1	Production
130	Standard Oil Ohio/37	Alton W. Whitehouse/56	788	34	95	917	11 of 23	15	6	Legal
405	Stanley Works/29	Donald W. Davis/63	507	—	—	507	2 of 5	36	18	Operations
515	State Street Boston/ 4	William S. Edgerly/57	401	—	—	401	65 of 151	8	8	Finance
577	Stauffer Chemical/10	H. Barclay Morley/55	340	6	—	346	22 of 24	21	10	Technical
301	Sterling Drug/15	Dr. W. Clarke Wescoe/64	600	—	—	600	11 of 16	14	10	Technical
551	J P Stevens/56	Whitney Stevens/57	374	—	—	374	4 of 4	36	4	Sales
406	Stop & Shop Cos/51	Avram J. Goldburg/54	500	4	—	504	11 of 16	26	5	Legal
562	Student Loan Marketing/39	Edward A. Fox/47	353	7	—	360	2 of 2	11	11	Finance
582	Suburban Bancorp/ 4	Robert F. Tardio/55	341	—	—	341	84 of 151	10	10	Finance
800	Sumitomo Bank Cal/ 4	Teruhisa Shimizu/51	119	12	—	131	150 of 151	29	1	Banking
590	Sun Banks/ 4	Joel R. Wells Jr/55	301	—	37	338	85 of 151	9	2	Finance
81	Sun Company/37	Theodore A. Burtis/62	818	1	281	1,100	7 of 23	17	5	Technical
89	Sundstrand/ 1	Evans W. Erikson/57	550	520	—	1,070	5 of 11	32	4	Technical
663	Super Food Services/52	Jack Twyman/50	287	—	—	287	14 of 18	14	12	Administration
524	Super Valu Stores/52	Michael W. Wright/45	394	1	—	395	10 of 18	7	2	Legal
259	Superior Oil/36	Frederic C. Ackman/53	635	26	—	661	3 of 10	3	2	Administration
354	Supermarkets General/51	Leonard Lieberman/55	468	16	71	555	8 of 16	20	1	Legal
501	Swift Independent/20	John [illegible]peland/60	404	6	—	410	6 of 10	36	3	Production

*Annualized current salary

[42]Succeeded by Ronald E. Kuehn, 6-1-84

[43]Succeeded by Walter H. Monteith Jr., 4-4-84

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
674	Sysco/52	John F. Woodhouse/53	272	6	—	278	15 of 18	14	1	Finance
322	Tandem Computers/ 7	James G. Treybig/43	178	—	405	583	10 of 23	9	9	Founder
742	Tandon/ 7	Sirjang Lal Tandon/42	218	—	—	218	21 of 23	9	9	Founder
231	Tandy/52	John V. Roach/45	614	80	—	694	2 of 18	16	2	Operations
720	TECO Energy/59	Hugh L. Culbreath/63	225	16	—	241	39 of 76	27	12	Finance
773	Tecumseh Products/ 5	Kenneth G. Herrick/63	185	—	—	185	17 of 17	43	13	Production
513	Tektronix/17	Earl Wantland/52	259	61	82	402	12 of 17	29	9	Administration
649	Tele-Communications/46	John C. Malone/43	280	14	—	294	5 of 5	11	11	Administration
149	Teledyne/34	Henry E. Singleton/67	850	6	—	856	14 of 30	23	23	Founder
549	Telerate/ 7	Neil S. Hirsch/36	375	—	—	375	16 of 23	15	15	Founder
397	Temple-Inland/38	Clifford J. Grum/49	515	—	—	515	12 of 18	15	1	Finance
166	Tenneco/34	James L. Ketelsen/53	690	121	—	811	17 of 30	25	5	Finance
691	Teradyne/40	Alexander V. d'Arbeloff/56	268	—	—	268	7 of 7	23	12	Founder
297	Tesoro Petroleum/36	Robert V. West Jr/63	604	—	—	604	4 of 10	28	19	Founder
77	Texaco/37	John K. McKinley/64	1,131	9	—	1,140	6 of 23	43	3	Technical
671	Texas Air/ 2	Francisco A. Lorenzo/44	281	—	—	281	10 of 11	12	4	Finance
528	Texas American Bshs/ 4	Lewis H. Bond/62	254	138	—	392	69 of 151	32	21	Banking
224	Texas Commerce Bshs/ 4	Ben F. Love/59	706	7	—	713	15 of 151	17	11	Finance
366	Texas Eastern/60	I. David Bufkin/62	523	19	—	542	9 of 21	35	4	Technical
517	Texas Instruments/17	[44]Mark Shepherd Jr/61	400	—	—	400	13 of 17	36	15	Technical
29	Texas Oil & Gas/36	Forrest E. Hoglund/50	450	—	1,511	1,961	1 of 10	6	1	Operations
625	Texas Utilities/59	Perry G. Brittain/59	298	13	—	311	20 of 76	11	1	Technical
391	Textron/34	Robert P. Straetz/62	479	41	—	520	28 of 30	38	4	Sales
507	Third National/ 4	Charles J. Kane/64	380	26	—	406	62 of 151	9	8	Banking
523	Thrifty Corp/50	Leonard H. Straus/69	382	14	—	396	11 of 15	38	27	Legal
301	TIE/Communications/11	Thomas L. Kelly Jr/48	600	—	—	600	5 of 17	13	13	Founder
490	Tiger International/22	Wayne M. Hoffman/61	422	—	—	422	7 of 8	16	13	Legal
179	Time Inc/41	J. Richard Munro/53	720	62	—	782	3 of 9	26	3	Operations
250	Times Mirror/41	Robert F. Erburu/53	674	—	—	674	5 of 9	22	3	Legal
798	Timken/29	William R. Timken Jr/45	136	2	—	138	5 of 5	21	9	Operations
741	Toledo Edison/59	John P. Williamson/62	195	26	—	221	51 of 76	32	11	Finance
683	Toledo Trustcorp/ 4	George W. Haigh/52	237	—	37	274	121 of 151	8	8	Banking
344	Torchmark/26	Frank P. Samford Jr/63	563	—	—	563	14 of 27	36	17	Legal
585	Tosco/36	Matthew J. Talbot/47	339	—	—	339	9 of 10	16	1	Finance
25	Toys R Us/52	Charles Lazarus/60	1,887	135	—	2,022	1 of 18	28	28	Founder
253	Trans World/ 9	L. Edwin Smart/60	511	159	—	670	7 of 11	17	7	Legal
611	Trans World Airlines/ 2	Carl E. Meyer Jr/55	278	—	46	324	8 of 11	16	5	Finance
132	Transamerica/34	James R. Harvey/49	600	6	298	904	13 of 30	19	3	Finance
386	Transco Energy/60	William J. Bowen/62	523	—	—	523	13 of 21	9	9	Operations
649	TRANSOHIO Financial/54	Warner B. Bishop/65	274	20	—	294	15 of 29	21	21	Administration
230	Travelers/26	Edward H. Budd/51	595	—	100	695	7 of 27	28	3	Insurance
402	Tribune/41	Stanton R. Cook/58	489	20	—	509	9 of 9	33	12	Technical
517	Trust Co of Georgia/ 4	Robert Strickland/57	312	88	—	400	66 of 151	35	7	Banking
15	TRW/ 7	Ruben F. Mettler/60	740	22	1,947	2,709	1 of 23	29	6	Technical
729	Tucson Electric Power/59	Theodore M. Welp/50	211	21	—	232	44 of 76	10	8	Finance

[44]Succeeded by J. Fred Bucy, 4/1984

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	as CEO	Business background
317	Turner Construction/ 6	Walter B. Shaw/64	463	—	125	588	3 of 5	43	7	Operations
331	UAL/ 2	Richard J. Ferris/48	391	—	187	578	3 of 11	12	5	Administration
466	Union Camp/38	Peter J. McLaughlin/55	432	10	—	442	15 of 18	38	3	Finance
154	Union Carbide/10	Warren M. Anderson/62	838	13	—	851	8 of 24	39	2	Legal
579	Union Electric/59	Charles J. Dougherty/65	345	—	—	345	16 of 76	42	16	Legal
797	Union National/ 4	George F. Kesel/51	128	11	—	139	149 of 151	23	2	Banking
6	Union Pacific/42	William S. Cook/61	905	14	3,396	4,315	1 of 6	15	1	Finance
126	Uniroyal/53	Joseph P. Flannery/52	430	21	483	934	1 of 4	25	4	Marketing
673	United Banks of Colo/ 4	N. Berne Hart/54	256	18	6	280	117 of 151	30	5	Banking
473	United Brands/18	Seymour Milstein/63	435*	—	—	435	4 of 6	9	7	Operations
374	Utd Energy Resources/60	J. Hugh Roff Jr/52	532	—	—	532	10 of 21	10	10	Legal
699	United Financial Group/54	C. E. Bentley/62	172	82	—	254	20 of 29	39	3	Banking
793	United Illuminating/59	John D. Fassett/58	150	—	—	150	73 of 76	10	8	Legal
527	United Jersey Banks/ 4	T. Joseph Semrod/47	391	2	—	393	68 of 151	3	3	Banking
654	United Missouri Bshs/ 4	R. Crosby Kemper/57	292	—	—	292	110 of 151	34	14	Banking
458	U S Bancorp/ 4	John A. Elorriaga/60	275	19	159	453	52 of 151	33	9	Banking
102	United States Gypsum/ 5	Edward W. Duffy/65	575	425	—	1,000	4 of 17	43	1	Sales
56	United States Shoe/55	Philip G. Barach/54	595	—	741	1,336	2 of 4	23	16	Administration
295	United States Steel/31	David M. Roderick/60	606	—	—	606	1 of 6	25	5	Finance
88	U S Tobacco/58	Louis F. Bantle/55	965	21	88	1,074	3 of 5	21	11	Marketing
359	U S Trust/ 4	Daniel P. Davison/59	415	136	—	551	31 of 151	5	3	Banking
546	U S WEST/11	Jack A. MacAllister/56	380*	—	—	380	12 of 17	34	1	Finance
23	United Technologies/ 1	Harry J. Gray/64	1,191	255	746	2,192	1 of 11	12	11	Administration
362	United Telecom/11	Paul H. Henson/58	530	—	14	544	7 of 17	25	17	Technical
544	United Virginia Bshs/ 4	Joseph A. Jennings/63	350	32	—	382	74 of 151	46	7	Banking
112	Unocal/37	Fred L. Hartley/67	952	23	—	975	9 of 23	45	19	Technical
422	Upjohn/15	Ray T. Parfet Jr/61	480	9	—	489	13 of 16	36	22	Finance
312	USAir Group/ 2	Edwin I. Colodny/57	508	—	83	591	2 of 11	26	8	Legal
338	USF&G/26	Jack Moseley/52	570	—	—	570	12 of 27	30	4	Insurance
163	USLIFE/26	Gordon E. Crosby Jr/63	525	293	—	818	1 of 27	25	18	Marketing
775	Utah Power & Light/59	Harry Blundell/59	171	11	—	182	63 of 76	34	5	Finance
581	Valero Energy/60	William E. Greehey/47	309	33	—	342	18 of 21	20	10	Finance
799	Valley Fed Sav & Loan/54	Robert E. Gibson/55	133	—	—	133	28 of 29	28	7	Banking
733	Valley National/ 4	Howard C. McCrady/52	213	15	—	228	135 of 151	9	1	Finance
32	Varian Associates/17	Thomas D. Sege/58	549	36	1,289	1,874	2 of 17	21	2	Technical
289	VF/56	Lawrence R. Pugh/47	510	100	—	610	2 of 4	4	2	Marketing
318	Vulcan Materials/ 5	W. Houston Blount/62	428	157	—	585	12 of 17	29	5	Operations
348	Wachovia/ 4	John G. Medlin Jr/50	438	33	88	559	30 of 151	24	7	Banking
660	Wal-Mart Stores/50	Sam M. Walton/66	283	6	—	289	14 of 15	38	38	Founder
620	Waldbaum/51	Ira Waldbaum/53	315	—	—	315	14 of 16	37	35	Administration
246	Walgreen/50	Charles R. Walgreen III/48	455	224	—	679	5 of 15	31	13	Operations
397	Wang Laboratories/ 7	An Wang/64	515	—	—	515	11 of 23	32	32	Founder
119	Warner Communications/47	Steven J. Ross/56	350	605	—	955	1 of 6	22	22	Finance
176	Warner-Lambert/15	Ward S. Hagan/63	777	12	—	789	9 of 16	14	6	Marketing
731	Washington Mutual Sav/54	Louis H. Pepper/59	225	5	—	230	23 of 29	2	2	Legal

*Annualized current salary

Who Gets The Most Pay

Rank	Company/industry group	Chief executive/age	Compensation ($000) salary and bonus	other	stock gains	total	Rank in industry	Tenure with firm	Tenure as CEO	Business background
675	Washington National/26	Stanley P. Hutchison/60	271	6	—	277	23 of 27	36	8	Legal
389	Washington Post/41	Katharine Graham/66	514	8	—	522	8 of 9	21	11	Administration
775	Washington Water Power/59	Wendell J. Satre/65	176	6	—	182	64 of 76	44	9	Operations
5	Waste Management/ 9	Dean L. Buntrock/52	499	50	4,766	5,315	1 of 11	27	15	Founder
664	Weis Markets/51	Sigfried Weis/68	286	—	—	286	15 of 16	45	24	Retailing
315	Wells Fargo/ 4	Carl E. Reichardt Jr/52	590	—	—	590	25 of 151	14	1	Banking
425	Wendy's International/24	Robert L. Barney/47	480	7	—	487	4 of 5	13	4	Administration
455	West Point-Pepperell/56	Joseph L. Lanier Jr/52	455	—	—	455	3 of 4	26	8	Operations
560	Western Savings & Loan/54	Gary H. Driggs/49	362	—	—	362	8 of 29	22	8	Banking
585	Western Union/11	Robert M. Flanagan/54	309	3	27	339	13 of 17	10	5	Finance
41	Westinghouse Elec/16	Douglas D. Danforth/61	735	12	886	1,633	2 of 9	29	1	Production
324	Westvaco/38	David L. Luke III/60	555	27	—	582	7 of 18	32	20	Finance
482	Wetterau/52	Ted C. Wetterau/56	403	24	—	427	8 of 18	32	13	Marketing
219	Weyerhaeuser/ 5	George H. Weyerhaeuser/57	720	—	—	720	9 of 17	34	18	Production
400	Whirlpool/25	Jack D. Sparks/61	513	—	—	513	2 of 3	43	2	Marketing
136	White Consolidated/28	Roy H. Holdt/63	565	72	250	887	3 of 14	42	7	Finance
546	Whitney Holding/ 4	Patrick A. Delaney/51	350	30	—	380	75 of 151	30	7	Banking
282	Whittaker/34	Joseph F. Alibrandi/55	508	113	—	621	24 of 30	14	9	Administration
138	Wickes Cos/48	Sanford C. Sigoloff/53	880	—	—	880	1 of 3	2	2	Operations
143	Williams Cos/10	Joseph H. Williams/51	672	—	195	867	5 of 24	25	5	Operations
596	Wilson Foods/20	Kenneth J. Griggy/50	324	10	—	334	8 of 10	8	8	Marketing
688	Winn-Dixie Stores/51	A. Dano Davis/39	254	18	—	272	16 of 16	16	1	Retailing
727	Wisconsin Elec Pwr/59	Charles S. McNeer/58	235	—	—	235	43 of 76	33	8	Technical
757	Wisconsin Pwr & Lt/59	James R. Underkofler/60	201	—	—	201	57 of 76	42	15	Finance
385	Witco Chemical/10	William Wishnick/59	426	—	98	524	15 of 24	42	12	Administration
211	F W Woolworth/50	John W. Lynn/63	640	—	95	735	3 of 15	42	1	Operations
329	Xerox/ 8	David T. Kearns/53	579	—	—	579	2 of 3	12	2	Sales
92	Zayre/50	Maurice Segall/55	1,050	—	—	1,050	2 of 15	6	6	Retailing
414	Zenith Radio/17	Jerry K. Pearlman/45	350	14	131	495	10 of 17	12	1	Finance
752	Zions Utah Bancorp/ 4	Roy W. Simmons/68	153	55	—	208	139 of 151	30	18	Banking

Industry group codes

These numbers correspond with the industry group codes that follow company names in the second column of the table. Column eight ranks each individual's compensation within that industry group.

1 Aerospace
2 Airlines
3 Automotive
4 Banking
5 Building materials
6 Heavy construction
7 Data processing
8 Office equipment
9 Business services
10 Chemicals
11 Communications
12 Cosmetics
13 Credit
14 Alcoholic beverages
15 Drugs
16 Electrical equipment
17 Electronics
18 Food processing
19 Food products
20 Meat and dairy products
21 Candy and soft drinks
22 Trucking and air freight
23 Medical equipment, services
24 Lodging and restaurants
25 Appliances—furnishings
26 Insurance
27 Securities
28 Heavy machinery
29 Light machinery
31 Iron and steel
32 Coal, nonferrous metals
33 Rare metals
34 Multi-industry companies
35 Oil services
36 Oil production
37 Oil refining, marketing
38 Paper and packaging
39 Personal services
40 Precision instruments
41 Publishing
42 Railroads
43 Real estate investments
45 Mobile homes—recreation
46 Broadcasting
47 Movies and sports
48 Specialty retail
49 Department stores
50 Drugs and discount retail
51 Supermarkets
52 Distribution
53 Rubber and plastics
54 Thrift institutions
55 Footwear
56 Textiles
57 Apparel
58 Tobacco
59 Electric utilities
60 Natural gas utilities

Most people are as complacent today about oil prices staying low as they once were certain prices would go straight up. They could be wrong again. Here's why.

The crash of 1984?

By Subrata N. Chakravarty

FOR MONTHS now, Iraq has been threatening to block Iran's oil exports through the Persian Gulf. Iran says it would react by closing the Gulf to everybody's oil shipments. No way, majority opinion has it: Iran couldn't close the Gulf, and even if it could, the U.S. would quickly force it open. If not, at worst, the world could easily ride out any mini-crisis with oil from other sources, including government stockpiles.

That's the consensus. But as the war between Iran and Iraq drags on, some knowledgeable industry and government officials are becoming much less sanguine. One of them is James E. Akins, former U.S. ambassador to Saudi Arabia. "I'm responsible for some of the complacency," Akins says. "But I've changed my mind somewhat, recently."

Iraq's situation is becoming increasingly desperate. With only 14 million people against Iran's 43 million, Iraq cannot forever fight a war of attrition. Only the billions in aid and military hardware given Iraq by Arab nations and the Soviet Union have kept the country afloat this long. Iraq could hurt Iran badly by choking off its oil exports, worth over $20 billion a year, and drawing the U.S. into the war. By attacking tankers carrying Iranian oil, and perhaps Iran's oil terminal at Kharg Island, Iraq could achieve the first purpose. If Iran then carried out its threat to close the Gulf to all oil exports in retaliation, the second purpose would be achieved as well, since the U.S. is pledged to keep the Gulf open by force if necessary. The U.S. has little to choose from between Iran's bloodstained mullahs and Iraq's almost equally repressive dictatorship, but such an action might force the U.S. to choose sides.

In fact, Iran would not have to block the Gulf physically to get the desired result. For example, by attacking other nations' shipping, as it has recently begun to do, Iran could make the danger of entry too high. War-risk insurance rates have increased tenfold since last fall and, according to Akins, the Japanese, who are the most heavily dependent on Persian Gulf oil, have already stopped sending their tankers into the Gulf and are relying on third-country tankers instead. Iran might also try to attack Saudi Arabia's mammoth oil complex at Ras Tanura by air, or Kuwait by land, in an attempt to take the war to Iraq's principal bankers.

The big question is this: Could a true oil crisis develop if the Gulf were closed for a long time?

"We are as vulnerable today as we were in 1973-74," says Larry Goldstein of the Petroleum Industry Research Foundation. During the first quarter of 1984 some 9.8 million barrels of oil were shipped through the Persian Gulf each day. That is more than 20% of the free world's production of 43 million barrels. A gap of that magnitude would be almost three times the gap in 1973-74 or 1979-80. Only 3.25 million barrels could be replaced with increased production from outside the Gulf *(see table)*. Why so little? Because most of the glut is found in those Gulf countries whose exports would be blocked. Outside the Gulf the largest production overcapacity is found in Iran's irrational ally, Libya, which might choose not to increase production. Saudi Arabia could pump an additional 1 million barrels a day through its pipeline to Yanbu on the Red Sea and the U.S. Strategic Petroleum Reserve (SPR) could supply 1.5 million barrels a day. The rest of the losses—over 4 million barrels a day—would have to be made up by a fleet of Saudi tankers outside the Gulf and the government stockpiles of Europe and Japan. That would, however, still leave a large shortfall after the first two weeks.

And then, consider demand. In the U.S., Europe and Japan, according to First Boston's William Randol, demand has begun to rise again after 16 quarters of large declines. It is also rising in the Third World. At the same time, observes Philip Verleger Jr., a former senior adviser at the Treasury, private oil stocks have dropped to their lowest point since 1975 and 1 billion barrels below the level at the time the Iran-Iraq war began.

Thus, in any crisis, businessmen and consumers would rush to top off their storage and gasoline tanks. "Panic will create chaos right away, and the primary system will be drained overnight," says Larry Goldstein. The result: a sudden sharp rise in oil and other prices and the beginning of another global economic tailspin. As an indicator, James Akins cites a U.S. war game that assumed a Persian Gulf shutdown. The oil price rose to $98 a barrel, vs. $29 today.

War games don't necessarily reflect reality, but Verleger thinks $50 a barrel is quite possible.

So a quarrel between two vicious, petty tyrants, Ruhollah Khomeini and Saddam Hussein, threatens world economic stability. Only the naive would say that an energy crisis can't occur. ■

Crisis math

If the Persian Gulf were closed, the world would lose 9.8 million barrels of crude oil a day. How much could be made up? And from where?

Source	Million bbl/day
Algeria	0.20
Indonesia	0.25
Libya	1.00
Nigeria	0.80
Venezuela	0.80
Mexico	0.20
Saudi pipeline	1.00
U.S. Strategic Reserve	1.50
Total	5.75

Other sources	Million bbl
Saudi floating storage	55
Japan and Europe	175

Sources: International Energy Agency, CIA, Petroleum Industry Research Foundation, Drexel Burnham Lambert, Inc., Petroleum Intelligence Weekly

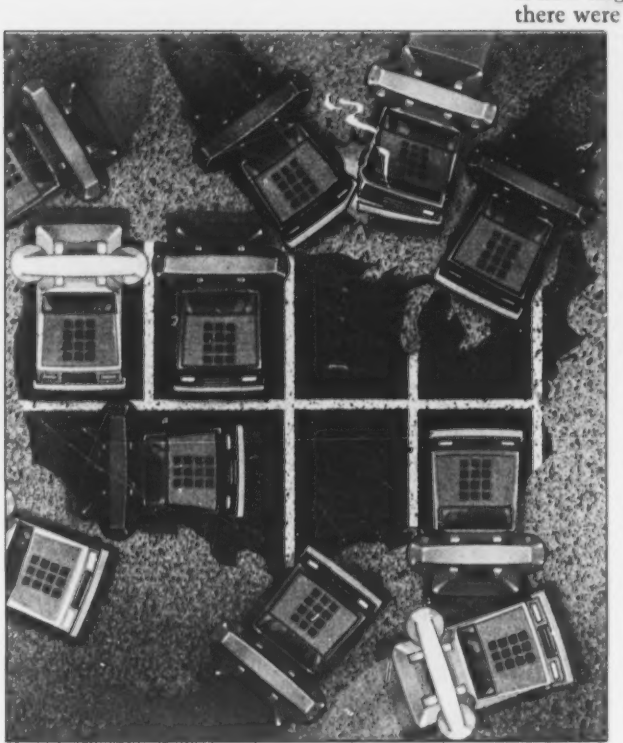
The opening of the cellular radiotelephone market has created a rush to invest, but the payoff, like cable television's, will be slow.

Wrong numbers?

By Kevin McManus

INDIANAPOLIS Telephone Co. only went into business in February, but it has already fired its president. ITC Managing Partner Lee Perkinson won't say why, but it may have to do with ITC's performance. Perkinson also won't discuss rumors that fewer than 350 subscribers have signed for the mobile radiotelephone service that Indianapolis Telephone offers, far fewer than ITC had projected.

Yet cellular radiotelephone service, which the company operates, is supposed to be one of the hottest businesses in communications. "Cellular" refers to the division of a radiotelephone service area into small territories called cells, each with its own low-power radio station connected to the telephone switching system. Dividing the service area this way greatly reduces busy signals by permitting multiple use of the same radio frequencies. This increases the message volume beyond conventional radiotelephony, which is limited to 44 channels in a service area. As a motorist drives out of one cell, his call is handed to the adjoining cell. His car's radiotelephone may be acquired through the radiotelephone operating company or through one of its agents.



Greg Couch

In Chicago, in contrast to Indianapolis, cellular service has caught on. Ameritech Mobile Communications has signed more than 7,500 customers for its cellular service, the nation's first. Ameritech's field test of cellular phone service became an established business eight months ago. The company is already adding capacity.

Do we look to Chicago, then, to gauge the strength of the much-touted cellular business? Or to Indianapolis? The uncertainty affects all the companies listed in the accompanying table. They are betting heavily on cellular radio because the technology, in giving travelers the ease of calling that they enjoy at home and in the office, could make car telephones a common consumer service. The business has attracted such entrants as Metromedia, Motorola, the seven regional Bell companies and, as the table shows, many others.

But the future of cellular is to be found neither in Chicago nor Indianapolis. Or so says Martin Cooper, an engineer regarded by many as one of the brightest in cellular technology. Cooper was head of research and development at Motorola until last September, when he left to become a consultant. The Chicago market trial, he says, was an "extraordinary event," involving expenditures of more than $100 million, mainly by Motorola and AT&T's Bell Laboratories. Publicity about the test helped create a long list of customers when Ameritech began offering regular service last October, but the pent-up demand, Cooper says, is now largely satisfied. "At the peak there were over 500 units a week going into that system," says Cooper. "I hear it's now less than 100 a month." Ameritech won't say what the present rate is, calling it "irrelevant."

Indianapolis, by contrast, had little unsatisfied demand. Existing mobile telephone service seems adequate. Despite the technological superiority of cellular service *(see* FORBES, *Apr. 23)*, it will take hold slowly in Indianapolis and, Cooper believes, in most other cities in the nation's 30 large markets for radiotelephony. There will be few, if any, fast payoffs, even though new systems eventually may become profitable. "If any operator doesn't make money," says Cooper, "it will be because he didn't pursue the business aggressively. The market is there and is going to grow. But cellular sales have to be worked for. The market has to be educated."

Educating the market now largely consists of sending this message to top executives: "You would be a lot more productive if you could spend your driving time making phone calls." The theory is that, once the boss has used a car phone, he will see how much more work his subordinates could accomplish if they had phones. As cellular operators do win business and professional customers, more equipment makers will enter the market, too. Competition probably will drive the price of the car telephone down from the current $2,000 minimum. In time, perhaps

At the starting gate

The companies below have significant stakes in cellular telephony. Investment amounts are the firms' own conservative estimates. When more than one company is listed as having a majority interest in the same city, it means that those firms' subsidiaries are partners in a joint venture. For some systems operators, activities may appear understated here, since licenses have yet to be definitively granted in many markets, including Los Angeles.

Company	Investment (millions)	Activities
American Cellular Telephone Fort Myers Fla	$12	50% interest in Milwaukee; minority in Indianapolis; 10 applications pending
Ameritech Chicago	70 (by end of '84)	Majority interests in Chicago, Milwaukee, Detroit, Cincinnati
Bell Atlantic Basking Ridge NJ	42	Majority interests in Philadelphia, Baltimore-Washington, Pittsburgh, elsewhere; will resell service outside territory
BellSouth Atlanta	25	Majority interests in Miami-Fort Lauderdale area, Atlanta, New Orleans and others
Communications Industries Dallas	5	50% interest in Atlanta; minority in St. Louis; 10 applications pending
Continental Telecom Atlanta	27 (by end of '84)	Minority interests in Washington and Minneapolis; 12 applications pending
Graphic Scanning Teaneck NJ	10	50% interest in Boston and Milwaukee, minority interests in many others; 73 applications pending
GTE Stamford Conn	45	Majority interests in Tampa, Honolulu and many others; many minority interests
LIN Broadcasting New York	3	Majority interests in Philadelphia, Dallas-Fort Worth; minority in New York, Houston; 7 applications pending
McCaw Communications Bellevue Wash	NA	Minority interests in Seattle, Portland; 24 applications pending
MCI Washington DC	42	Majority interests in Minneapolis-St. Paul, Pittsburgh and Denver; minority in Cleveland; 48 applications pending
Metromedia Secaucus NJ	300	Majority interests in Chicago and Washington; many minority interests; 53 applications pending
Metro Mobile CTS New York	5	Applications pending in 64 markets
Millicom New York	10	50 applications pending
Mobile Communications Corp of America Jackson Miss	6	Minority interest in Indianapolis; 15 applications pending; will resell service outside territory
Nynex New York	30	Majority interests in New York, Buffalo, Boston; will resell service
Pacific Telesis San Francisco	20	Majority interests in Los Angeles, San Diego, Sacramento, elsewhere; hopes to resell service
Paging Network Dallas	NA	Minority interests in San Francisco-San Jose area, New York, Syracuse, elsewhere; applications pending in 52 markets
Southwestern Bell St Louis	30 (by end of '84)	Majority interests in Dallas-Fort Worth, Kansas City, St. Louis; will resell service outside territory
US WEST Denver	40	Majority interests in Denver, Phoenix, Minneapolis-St. Paul, Seattle, elsewhere; will resell service outside territory
Washington Post Washington DC	5	Minority interests in Washington-Baltimore, Detroit systems; 11 applications pending
Western Union Upper Saddle River NJ	10	Minority interests in Indianapolis, Buffalo, Detroit, Cleveland, Cincinnati; applications pending in 66 markets

NA: Not available

three years or so, the market will extend beyond business and professionals to general consumers, and systems operators will begin to cash in big.

That is what is supposed to happen; however, the premise may be flawed. If fewer executives than expected are persuaded that the car telephone is worthwhile, the business will remain a select, expensive service. Meanwhile, if businessmen can't justify the telephones, how can household consumers? Especially since charges, now averaging $150 a month per telephone, aren't expected to fall.

Operating companies, having spent heavily to build their systems (Indianapolis Telephone Co.'s cost around $7 million), will have to keep servicing their construction debts and operating the systems to satisfy the Federal Communications Commission no matter how few subscribers are using them. Obviously, then, the parent companies of cellular operators must make a serious commitment to the business in its early years.

This is especially true of Metromedia, which spent an estimated $300 million buying up paging ("beeping") companies that had filed FCC applications to provide cellular service. Chairman John Kluge, now attempting to buy control of Metromedia with borrowed money (*see* FORBES, *Apr 23*), is counting heavily on future cellular earnings to make the deal pay. Metromedia has applied, in joint ventures with various combinations of partners, for permission to operate nonwireline systems in over 50 of the 90 markets. Metromedia also has a big stake in Cellular One, the Baltimore-Washington nonwireline operator that has been in business since December 1983.

Cellular systems are expected to operate in nearly all the top 30 markets by the end of 1984. Mobile-phone equipment makers, meanwhile, may reach the climactic stage of their battle for market share in 1985. Only four—Motorola, OKI, NEC and Panasonic—are now manufacturing or importing phones on a large scale. But by early next year others, including General Electric, Harris Corp. and Western Union's E.F. Johnson subsidiary, will hit the market with phones. The result, says cellular consultant Herschel Shosteck, will be tremendous price-cutting. "Many of these companies will be able to stick," says Shosteck, "because they're committed to this business. Whether or not they make any money is a different question." Cellular radio, like cable television, may be a growth industry whose time will be very slow to come. ■

Massachusetts raised $65 million by forgiving taxpayers' sins. Since politicians love a quick fix, the idea is catching on. Too bad.

Good amnesty or poor enforcement?

By Jill Andresky

ON A BLUSTERY DAY early this year 20,000 people—taxi drivers and accountants, housewives, lawyers and ministers—filed into a drab, concrete office building in downtown Boston to confess their sins to the state tax commissioner.

When the state's tax amnesty drew to a close at midnight, the collection had swelled to $40 million. Eventually, as money trickled in from last-minute promises, it swelled to $65 million. "One man grabbed my hand and told me he had made his peace with God, now it was time for him to make peace with the Massachusetts Department of Revenue," recalls Commissioner Ira Jackson.

What's going on here? Simple. During a three-month period that ended Jan. 17, Massachusetts promised to waive penalties for tax cheats: No civil or criminal sanctions—which could range as high as $500,000 for corporations or $100,000 and five years in jail for individuals—would be levied, only an interest charge added to overdue bills. Jackson also brandished a stick. "We let everyone know that as of Jan. 18 it would be no more Mr. Nice Guy," he explains. "People were motivated out of fear, guilt and gratitude, in that order."

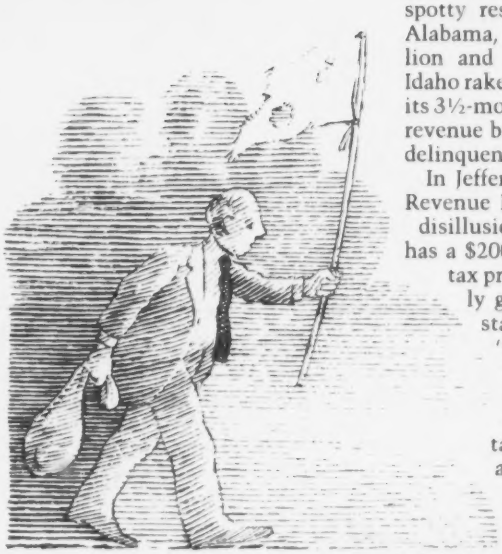
Just days after Massachusetts reported its results, revenue-hungry congressmen in Washington began clamoring for a similar program on a national level. If Massachusetts, with less than 6 million residents, could raise $65 million, then surely the IRS could pull in billions of dollars. "There are probably millions of citizens who would take advantage of the opportunity to settle their accounts with the federal government," House Speaker Thomas P. (Tip) O'Neill proclaimed, "thereby increasing federal revenues and clearing their consciences at the same time."

Largely because of Massachusetts' success and O'Neill's high-level support, the House Ways & Means Committee is now studying federal tax amnesty. Other states are considering similar programs. But, sadly, there is still no such thing as a free lunch—even for the government.

Massachusetts isn't the first state to offer tax amnesty, and its apparent good fortune with the program is misleading. Variations on the theme have been tried in six other states, with spotty results at best. Arizona and Alabama, for example, raised $6 million and $2.9 million respectively. Idaho raked in a mere $300,000 during its 3½-month program. Nice one-shot revenue boosts, but only a fraction of delinquent taxes.

In Jefferson City, Mo., Director of Revenue Richard King is profoundly disillusioned. Missouri, he explains, has a $200 million-a-year delinquent tax problem, which might actually get worse as a result of the state's recent amnesty effort. "If I had it to do over again, I wouldn't," King explains. "We raised $853,000, a drop in the bucket, and we tarnished our image as tough and efficient tax enforcers."

The problem is clear. People pay taxes largely because they perceive rev-



Chas. B. Slackman

Passing the buck

These seven states have tried amnesty programs. Massachusetts excepted, results are hardly impressive.

State	Date	Participants	Collections (thousands)
Alabama	1/20/84 to 4/1/84	1,000 individuals 125 businesses	$2,900
Arizona	11/22/82 to 1/20/83	12,600 individuals 300 businesses	6,000
Idaho	5/20/83 to 9/1/83	900 individuals	300
Illinois	12/28/81 to 1/8/82	407 individuals	90
Massachusetts	10/17/83 to 1/17/84	28,000 individuals 19,000 businesses	65,000
Missouri	9/1/83 to 10/31/83	219 individuals 22 businesses	853
North Dakota	9/1/83 to 11/30/83	173 individuals 12 businesses	120 150

enue collectors as vicious ogres without souls. Turning the taxman into a forgiving figure may impede long-term effectiveness.

"What happens to your general enforcement program while you're granting amnesty?" asks Robert Matson, Arthur Young's assistant national director for state and local tax services. "What about the honest taxpayer who always bends over backwards to pay his taxes? You're just killing off any chance of getting his continued cooperation."

Amnesty advocates claim that by making forgiveness a one-time proposition, governments can keep compliance from eroding. But there is an analogy to child-rearing here: When you let a bad kid get away without punishment once, how do you ever convince him again that you mean what you say?

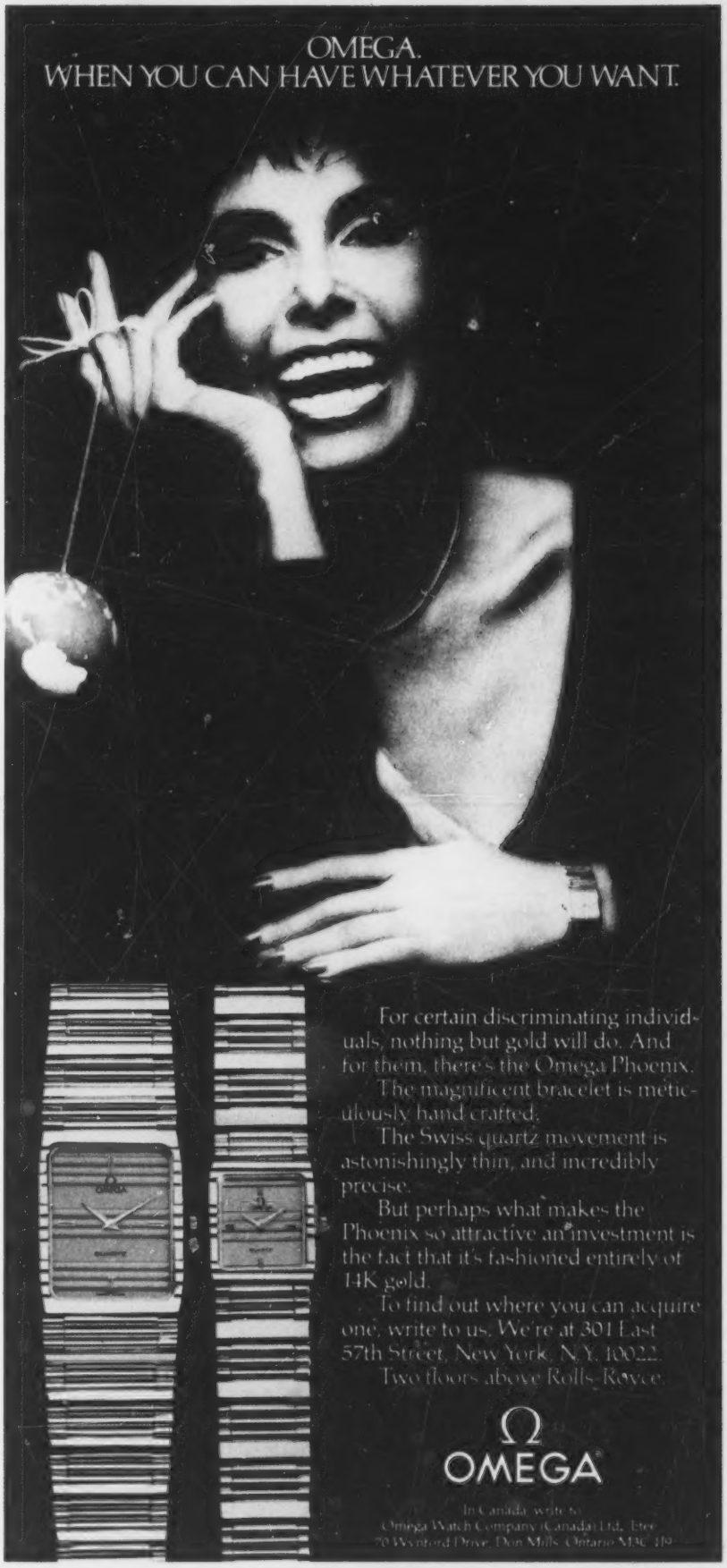
Still, politicians are suckers for fiscal Band-Aids, even if they merely mask long-term problems. In Illinois, where a two-week amnesty succeeded in raising only $90,000 in 1982, legislators are currently debating a follow-up program, this one to last 90 days.

Before voting they should study the Massachusetts example closely. Prior to 1983 the Bay State's state-tax enforcement efforts were spotty, on both the collection and audit sides. "We very seldom saw a state income tax examiner in any of our clients' offices," recalls Anthony Cerce, a partner at Ernst & Whinney's Boston office.

When Jackson took over, however, he set up a tough, highly visible enforcement policy, which was based largely on a new law that made tax evasion a felony rather than a misdemeanor. "There was a strong public awareness, suddenly, that the state was not going to be as soft as it had been in the past," says Cerce. No wonder that when 400,000 amnesty brochures went out, 47,000 taxpayers took the hint.

But that's a far cry from the situation elsewhere. Relative to Massachusetts in the years before 1983, for example, the federal government does a good job of chasing down tax evaders. Right now the IRS still has a decent—if somewhat eroding—image as a tax collection agency. Amnesty might just speed that erosion dramatically.

Idaho Deputy Attorney General William von Tagen makes the point well. "Was the money Massachusetts raised proof of the success of amnesty," he asks, "or merely proof of the ineffectiveness of its enforcement program?" ■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matter how successful the operator becomes—11 operators earned more than $100,000 last year—Cathy forbids him to lease more than one restaurant. In other fast food chains multiple ownership is common.

Cathy faces some of the same problems that confront others in the business. The introduction of Chicken McNuggets by McDonald's and of chicken dishes by other fast food chains has slowed C-f-A's growth. Between 1977 and 1981 sales more than quadrupled. They have increased just 34% since then. Earnings increases also have been harder to come by.

Sobered by competition, Cathy has made some overdue changes. In late 1982 chicken nuggets appeared on the menu. Soup was also added. The main item, the chicken breast sandwich (which used to go under the slightly mystifying label, the "One Piece Box"), finally got an appetizing name: the "One Sandwich Meal."

Sales of chicken by fast food restaurants were over $4 billion last year. Impressive, but equal to about half of one chain's revenues, McDonald's. With C-f-A firmly entrenched in its small corner, Cathy thinks the competition has already done its worst—or its best, depending on whose chicken is being spurred.

Even so, how can he grow? He has run out of shopping malls in the South. Cathy has tried to open restaurants outside of shopping malls. They cost 30% more than leasing mall space, and so far this move hasn't paid off. The two new restaurants Cathy has opened—one in Atlanta, the other in Houston—are both losing money, in part because C-f-A failed in its first attempt at selling breakfast.

So it may be time for Cathy to tinker with his recipe for success. But he professes no immediate big changes. Cathy plans gradually to open more stores outside the South, although maintaining his control may prove difficult. He says he has no interest in selling out, to the public or anybody else, although in the current market C-f-A could well fetch $40 million. For the present Cathy is enjoying being his own boss. Two years ago he spent $9 million on a new glass-and-concrete headquarters, with an 80-foot atrium lobby and a five-story spiral staircase, set on 75 wooded acres a few miles west of the Atlanta airport. His office is equipped with a Jacuzzi in the bathroom.

"We just want to row our own boat and keep doing what we are doing," he says. If his competitors allow him to do that, he will keep moving merrily down the stream.

Bargain hunter

Angus Wurtele, like his classmates at Stanford Business School in 1961, was ambitious: He saw himself running a rapidly growing electronics firm like Hewlett-Packard or Control Data. Most certainly, his view of the future included nothing more than a there-but-for-the-grace-of-God-go-I kind of sigh over his family's paint company back in Minneapolis. The firm, Minnesota Paints Co., founded by a great-uncle in 1870, was in as lackluster a business as could be found. It was no place for a fast-tracker from Stanford to show his stuff.

But the family needed a helping hand after the death of the company president, and Wurtele reluctantly agreed to lend one "for a while" after graduation. He has stayed ever since. Wurtele also has made the company—now Valspar Corp.—the paint industry's profit leader *(see table, p. 178)*. He found ways to overcome paint's notoriously small margins and intense competition.

When Wurtele came aboard in 1962 (as a salesman), the company had yearly sales of $7 million. In the past ten years Valspar's sales have tripled, to $162 million. Earnings have risen tenfold, to $10 million. The number of employees has remained the same. Valspar has $27 million in the bank. Its return on equity has averaged 18.2%. Its 6.29% margins are the best in the industry.

Within three years of Wurtele's return home, the new company president died, and Wurtele found himself in charge. To increase the company's modest profits Wurtele, in business-school fashion, considered such diverse fields as fast food franchising and adhesives but rejected them. "We didn't know those other businesses," he says now, sitting in the company's modest boardroom in a 1903 Minneapolis building that also houses Valspar's 80,000-square-foot consumer latex paint factory. (The floor occasionally shakes, and you can hear paint cans clacking over steel conveyer belts.) But if Wurtele was to keep the company in paint, paint had to increase profits.

The family-owned firm, still known as Minnesota Paints back in the early 1960s, started buying small, marginally profitable paint companies to gain economies of scale. Under Wurtele it acquired four before he stumbled onto Valspar Corp. in Rockford, Ill., in 1970. The major shareholder of the publicly held firm was ready to retire, and the two companies merged to form the new Valspar in an exchange of stock.

Wurtele, 49, all told has made about 15 acquisitions since 1965. They account for the majority of the company's growth. Says Albert Nicholas, whose Nicholas Fund *(see* FORBES, *May 7)* is a large holder of Valspar stock: "They buy beat-up, out-of-shape and hurting companies, clean them up and do a good job in an industry that isn't sexy or dynamic." Nothing magic. Wurtele hunts for small, regional paint companies that are in the red or are only modestly profitable. He seldom pays much more than book value. Each firm has products that fit in Valspar's distribution network. And, Wurtele says, "We immediately get out of marginal businesses and reduce the acquisition to its profitable core."

Valspar's managers are string-savers. "We do a lot of picky little stuff,

James Kilkelly

Valspar Chief Executive Angus Wurtele
Cleaning up.

The Up & Comers

like having energy experts check the placement of light bulbs in plants," Wurtele says. "But it really adds up to big dollars." In the past two years little things, such as washing down plant floors to recapture spilled pigment, have cut manufacturing costs by 2%. "That's $2 million that had been hauled away to the dump," Wurtele says.

The strategy has continued to pay off. In the first quarter, ended Jan. 31, net climbed 19%, while sales increased 7%. Wurtele's big challenge now is to grow with fewer acquisitions. The remaining independent paint companies have become high-priced. Valspar now sells its well-known Colony paint in 13 of 100 leading home-center chains and obviously could increase sales by signing on more chains. And last year he spent $5.2 million in paint research and development that can help him take ground in the industrial market.

"What we are doing is not terribly unique," Wurtele says. "It just takes patience and perseverance. You just pay attention to your knitting, remain patient and keep good people, and you can make a good business out of it."—**John A. Byrne**

A brighter shade of green

While far from the largest in terms of sales, Valspar's margins and return on equity paint the prettiest picture in the industry.

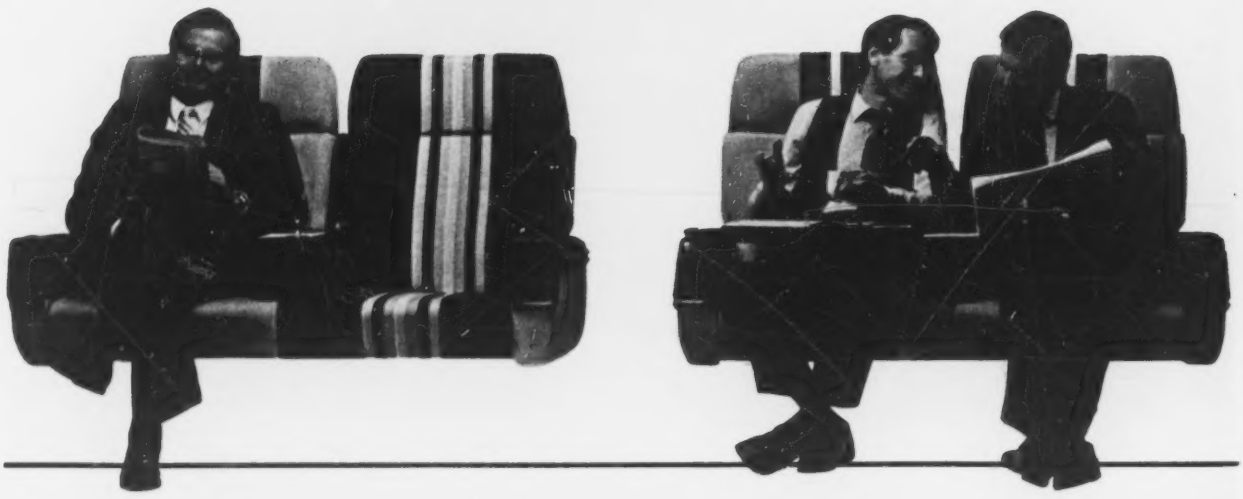
Company	Sales (thousands)	Earnings per share	Margin	Return on equity	P/E	Stock price
DeSoto, Inc	$332,000	$3.17	5.33%	13.6	9.7	30¼
Grow Group Inc	237,000	1.00	2.32	11.2	15.0	15
Guardsman Chemicals Inc	73,000	1.02	2.84	5.1	12.5	12¾
Pratt & Lambert, Inc	155,000	2.62	3.89	15.0	7.8	20½
RPM Inc	131,000	1.07	5.83	14.9	12.7	13⅝
Sherwin-Williams Co	1,973,000	2.32	2.80	13.8	12.2	28⅜
Standard Brands Paint Co	297,000	1.68	6.25	14.8	11.5	19⅛
Valspar Corp	162,000	1.79	6.29	18.2	9.4	16¼

Megarisk

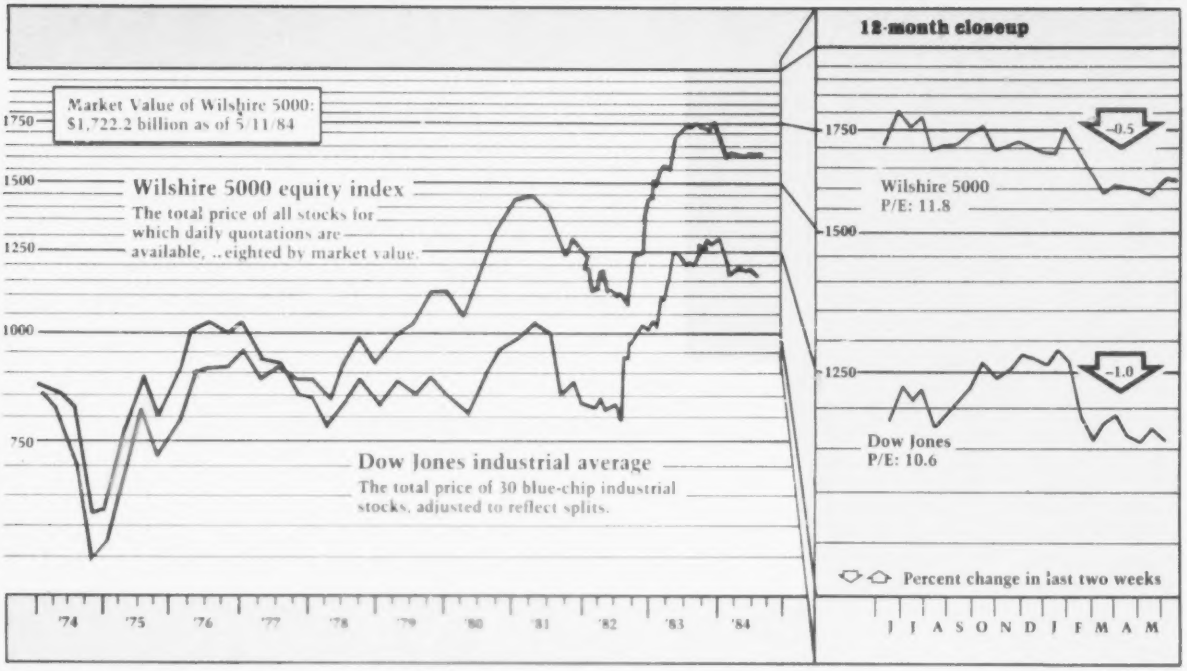
If the future of your business depends on selling machines that cost $1.5 million each, you can't afford to make many mistakes. But Steve Bisset, cofounder of privately held Megatest in San Jose, Calif., has plunged whole hog into making such a machine to test integrated electronic circuitry. In four years he has spent $20 million to build a testing machine called the MegaOne.

If $20 million seems small potatoes, keep in mind that Megatest's net worth is $27 million. At the moment, it appears that Bisset has avoided disastrous mistakes. By year's end, he hopes to ship two MegaOnes to semiconductor manufacturers. "The market is up for grabs right now," says an industry analyst. If Bisset can sell his machines and match the support and service offered by formidable competition, his Megatest will become one of the great up-and-comers. If not: "We bit off a pretty big bite, and now we're in a race to see if we can establish the product before we run out of

TWA's 3 PAIR BEATS PAN AM



The Forbes/Wilshire 5000 Review


12-month closeup
Market Value of Wilshire 5000: $1,722.2 billion as of 5/11/84
1750
1500
1250
1000
750
Wilshire 5000 equity index
The total price of all stocks for which daily quotations are available, weighted by market value.
Dow Jones industrial average
The total price of 30 blue-chip industrial stocks, adjusted to reflect splits.
'74 '75 '76 '77 '78 '79 '80 '81 '82 '83 '84
-0.5
Wilshire 5000 P/E: 11.8
-1.0
Dow Jones P/E: 10.6
Percent change in last two weeks
J J A S O N D J F M A M

Is a new pattern emerging? Weakness in the big-capitalization stocks during the last two weeks helped trim some recent gains. In the last ten trading days the Dow industrials, the NYSE composite and the Forbes 500 all slipped between 0.7% and 1%. For the month, however, each index shows gains of between 0.6% and 1%. Amex shares were behind 0.9% for the two-week stretch. But over-the-counter stocks showed signs of breaking their long slump with a gain of 1.5% for the last two weeks and 2.7% for the month. In fact, for the first time since the beginning of the year, NASDAQ shares outperformed the two major exchanges on both a two-week and four-week basis.

Investor yardsticks also show breaks in the downward spiral of secondary shares. Over the last month, high-volatility issues were up 1.5%, nearly twice the gain of low-volatility shares. Stocks not paying a dividend also outpolled those with higher-than-market yields. High-growth issues outpaced their low-growth counterparts.

Since last summer investor worries about deficits, interest rates and the sustainability of the recovery have driven down price/earnings multiples, based both on actual earnings and earnings projections. The result: Depending on your economic perspective, today's market is either very cheap or very expensive.

Close-up On The Equity Markets

Performance of six leading indexes

Percent change	Wilshire 5000	Forbes 500[1]	Dow Jones industrials	NYSE Composite	Amex Market Value Index	NASDAQ Composite
in last 4 weeks	1.2	1.0	0.6	0.8	1.3	2.7
in last 52 weeks	–6.6	–3.9	–5.1	–4.0	–7.4	–17.6

Stock performance based on six key investor yardsticks

Percent change	Company size		Volatility[2]		P/E multiple		Dividend yield		Growth profile[3]		Share price	
	large	small	high	low	over 25	under 5	over 7.5%	none	high	low	over $40	under $4
in last 4 weeks	0.9	–0.9	1.5	0.8	1.6	1.5	1.3	2.3	2.5	1.8	1.9	0.4
in last 52 weeks	–5.2	0.0	–8.2	4.5	–16.2	0.0	4.9	–4.0	–4.2	4.5	–1.7	–6.2

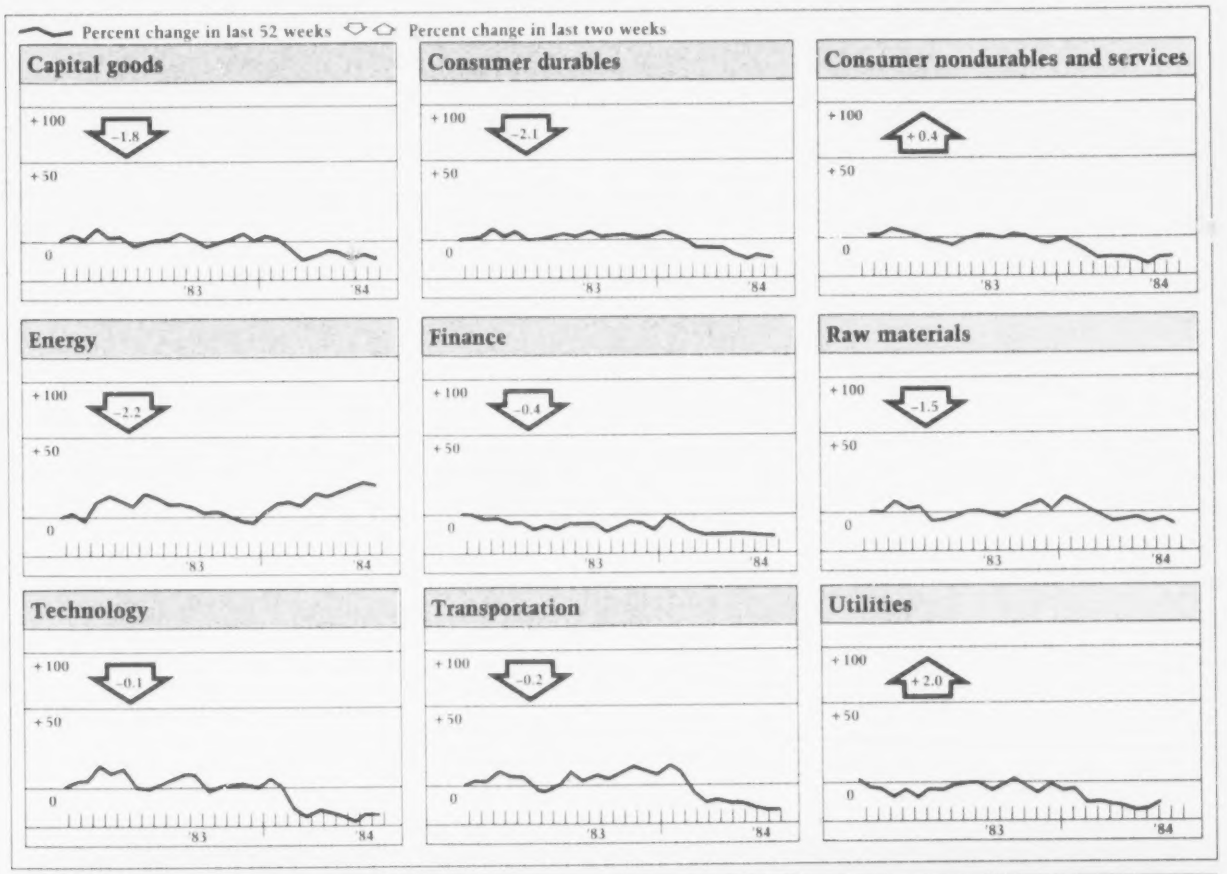
[1]Based on sales.
[2]A stock's sensitivity to overall market movement. High-volatility issues have wide price fluctuations; low-volatility issues are more stable.
[3]A quantitative evaluation of a stock's growth image, determined by Wilshire Associates.

Note: All data for periods ending 5/11/84. Prepared by Wilshire Associates, Santa Monica, Calif.

Where The Action Is

Summer in the city. Wall Street is again paying attention to secondary issues but, for the moment, on a somewhat selective basis. Only two of the nine Wilshire sectors, consumer nondurables and utilities, registered gains during the last two weeks. Meanwhile, four groups declined more than the Wilshire index, one of the best measures of overall market activity. Both consumer durables and energy issues lost more than 2%.

Perhaps the most encouraging sign, and one that should be watched for future developments, is the recent strength of technology shares. This important group led the market on its downward trek. But with a 3% gain, the best four-week performance, technology could be on the verge of blazing a new upward path.



What The Analysts Think

First-quarter progress. During the last two weeks, analysts hiked earnings estimates for both consumer durables and utilities. Some of the upward revisions in the former were spurred by record earnings from Detroit. Meanwhile, the latter rose on estimate increases in selective telephone and electric utility stocks.

Forecasting the Forbes 500

Performance period	Average earnings per share	P/E
latest 12 months	$2.72	12.1
1984 estimates	4.19	8.3
1985 estimates	5.08	6.7

Rank based on change in estimate	Sector	Estimated 1984 EPS	% change in 1984 estimate in 2 weeks	% change in 1984 estimate in 4 weeks
1	Consumer durables	$3.26	0.58%	-1.55
2	Utilities	3.62	0.15	0.09
3	Transportation	2.78	-0.39	-2.52
4	Raw materials	3.28	-0.57	-1.91
5	Consumer nondurables	2.59	-0.80	-1.15
6	Technology	1.99	-1.03	-1.58
7	Energy	2.81	-1.59	-2.50
8	Finance	3.99	-1.61	-3.01
9	Capital goods	2.41	-1.98	-2.35

Earnings projections are equal-weighted consensus estimates from over 1,800 security analysts. Forecasts for the 9 Wilshire sectors are limited to firms with 3 or more estimates, with a mean estimate greater than $0.50. Data are compiled and updated weekly by Zacks Investment Research, a Chicago-based quantitative consulting firm.

Note: All data for periods ending 5/11/84. Prepared by Wilshire Associates, Santa Monica, Calif., Zacks Investment Research, Inc., Chicago, Ill.

Statistical Spotlight

If companies as big and as leveraged as City Investing and Esmark can go private, what's the limit?

With a lever long enough...

OUR LAST ISSUE (FORBES, *May 21*) contained a list of 31 small to medium-size companies with qualities that made them statistically attractive as leveraged buyout candidates. A few days later, management at Esmark announced a $55-per-share offer to take the firm private. Soon, a similar transaction was under way at City Investing, with Merrill Lynch offering shareholders a 50% premium over market.

Neither company was on our list of prospects. Did we goof? In a way, yes. We figured that huge companies were not good prospects for leveraged buyouts. And we also set our criteria too high. We demanded debt-to-equity ratios of no more than 35%. But at both Esmark and City Investing the figures are well above our limit.

We misjudged the situation. We were too conservative. Why? Because we failed to allow for the fact that big companies could sell assets to cut debt. That is what is likely to happen in the both the Esmark and City Investing cases.

And so, back to the drawing board. The following table contains 24 companies with sales of $4 billion or more, debt/equity under 40%, P/Es under 12 and and a market price not more than 50% over book value. Lots of big oil companies—and even General Motors—showed up on our initial screen. But we excluded capital intensive industries like energy and autos from our list.

We're not betting that any of these corporations will go private. Computer screens, however, help investment bankers get their ideas, too, and this is what our search turned up. ■

Big companies to tempt the buyout boys

Company/business	Recent price	—52-week— high	low	Sales (mils)	Latest EPS	12-month P/E	Yield	Debt/ Equity	Current ratio	Asset turnover	Cash flow/debt
Allied Corp/multicompany	35	38⅛	31½	$10,022.0	$4.43	7.9	5.1%	34%	1.20	1.3	0.3
American Brands/tobacco	56	62½	47½	7,093.4	6.95	8.1	6.7	27	1.59	1.7	0.8
Beatrice Foods/food processing	32¼	36	25	9,327.0	3.23	10.0	5.3	35	1.67	1.9	0.4
Boeing/aerospace	39¼	49⅞	35⅝	11,129.0	3.67	10.7	3.6	10	1.61	1.5	4.3
Borden/food processing	57¼	61	49⅞	4,264.8	5.99	9.6	4.7	27	1.66	1.6	1.2
Burroughs/computer equipment	52⅝	57⅝	44⅜	4,296.5	4.74	11.1	4.9	25	1.93	1.1	0.5
CBS/broadcasting	73⅛	81⅛	61½	4,458.4	7.02	10.5	3.8	16	1.59	1.5	1.1
CIGNA/insurance	37	50⅜	36⅝	11,786.9	5.26	7.0	7.0	8	0.47	0.4	2.4
CPC Intl/food processing	37¼	42⅜	36	4,010.9	3.93	9.5	5.9	25	1.64	1.6	0.7
Dart & Kraft/food processing	76¾	77	63⅛	9,714.0	8.10	9.5	5.0	19	2.08	1.8	1.1
Federated Dept Stores/retail	49	69	45½	8,690.0	6.96	7.0	4.9	33	1.49	1.7	0.7
General Foods/food processing	52⅛	54⅛	42⅛	8,256.4	5.99	8.8	4.6	39	1.86	1.9	0.7
Honeywell/computer equipment	54	69⅛	50⅝	5,735.1	5.38	10.0	3.5	32	1.88	1.2	0.9
K mart/retail	28⅜	39⅛	26¼	18,598.0	3.80	7.5	4.4	23	1.90	2.3	0.5
Litton Industries/multicompany	69⅜	72⅞	55	4,719.2	6.69	10.4	2.6	13	1.68	1.2	3.4
Loews Corp/financial services	78⅜	88½	53	5,122.1	12.30	6.4	1.3	31	0.79	0.5	1.2
McDonnell Douglas/aerospace	54½	62⅜	46⅛	8,111.0	7.09	7.7	3.0	3	1.10	1.7	4.6
Monsanto/chemicals	95⅞	116⅛	79½	6,299.0	10.80	8.9	4.8	26	2.26	1.0	1.0
Nabisco Brands/food processing	40⅞	46	34⅜	5,985.2	4.86	8.4	6.1	28	1.54	1.6	0.8
Sperry Corp/computer equipment	38⅛	50	32⅝	4,914.0	4.17	9.1	5.0	34	1.67	1.0	0.7
TRW/aerospace	64⅛	82	60	5,493.0	6.05	10.6	4.4	16	1.60	1.6	1.8
Westinghouse Electric/electrical equip	23	28⅛	20⅜	9,532.6	2.64	8.7	4.3	10	0.94	1.1	2.4
FW Woolworth/retail	36⅛	39⅛	29⅞	5,456.0	3.72	9.7	5.0	36	1.83	2.1	NA
Xerox/office equipment	40¼	52⅛	38⅞	8,802.1	4.42	9.1	7.5	35	1.75	1.1	0.9

NA: not available

Sources: Disclosure II Data on Diskette via Micro Scan from ISYS Corp.; Forbes

Statistical Spotlight

Rising interest rates could shake building stocks off their foundations. But if that doesn't happen, these companies may give investors big gains.

Sticks and stones and mobile homes

By Leslie Pittel

WHEN THE MARKET took off in August of 1982 housing stocks helped lead the way. Among the best performers in the first stages of the rally were such home builders as Pulte Home, which jumped over 750% from June 1982 to June 1983, and National Homes, which gained 260% during the same period.

The gains continued for this group, until investors became nervous about interest rates last summer. Then the wrecker's ball hit building stocks hard. The strong but uneven recovery in new housing starts only added to investor concerns.

The accompanying table presents stock-performance and balance-sheet data for 46 housing and housing-related firms in areas as diverse as lumber, real estate development and plumbing fixtures. Since leverage is important to many building companies, we used relatively liberal criteria to round up these stocks. We limited our search to companies whose earnings estimates for the current fiscal year are available. We then looked at companies with debt-to-equity ratios of 250% or less and sales of $25 million or more.

Patrick McDonnell

Many of the stocks on our list don't qualify as unloved or undervalued investments. By our traditional value-oriented standards, they are too pricey. Take Tidwell Industries, for example, a manufacturer of modular and mobile homes. It sells for almost twice book value and at a P/E of 9.4 based on 1983 earnings.

Analysts who provide data for the IBES consensus earnings estimates think that Tidwell could earn as much as $1.20 per share in 1985. On that basis it is selling at only 5.9 times future earnings. Bohemia, a plywood and lumber company, sells at an even cheaper 4.6 times its 1985 estimate.

House of the rising sun

Most of these building-related issues sell near their 52-week lows. They may drop even further if interest rates climb, but Wall Street analysts still expect significant earnings growth. That's why juicy price gains could be in store—especially if interest rates fall.

Company/business	Sales (millions)	Price recent	Price 52-week high	Price 52-week low	P/E	Earnings latest 12 mos	Earnings estimated 1984	Earnings estimated 1985	Dividend yield	Debt/ equity
American Standard/building materials	$2,181.5	29	38⅛	26½	12.8	$2.27	$3.31	$4.45	5.5%	64%
Apogee Enterprises/glass	167.5	8⅞	14¾	8¼	17.1	0.52	0.87	NA	1.4	18
Armstrong World Inds/furnishings	1,439.1	25⅛	33¾	22¼	10.0	2.53	3.44	4.48	4.4	8
Blount/construction	788.7	14¼	19⅜	10¾	7.8	1.83	2.33	NA	2.5	5
Bohemia/forest products	137.8	11¼	29	10¾	NM	–0.58	0.40	2.45	3.6	15
Castle Industries/manufactured housing	25.2	5⅞	16⅞	4⅜	NM	–0.01	0.90	1.10	—	7
Centex/real estate, construction	1,002.4	28	33½	25¼	11.3	2.48	2.62	3.32	0.9	27
Clayton Homes/manufactured housing	71.7	9¼	18¼	8¼	9.3	0.99	1.05	1.34	—	0
Commodore/manufactured housing	207.2	1⅞	13⅞	1⅞	3.9	0.48	–0.35	0.40	—	64
Conner Homes/manufactured housing	69.2	15½	22½	13¼	8.1	1.92	2.00	2.15	—	30
Corning Glass Works/glass	1,589.4	64⅜	90¼	59½	16.1	4.01	5.84	6.74	3.6	31
Crown Industries/building materials	93.2	11⅛	15⅜	8¾	7.1	1.57	2.10	NA	2.5	90
General Shale Products/bricks	59.2	13¼	18	12½	8.6	1.54	2.00	NA	2.3	32
Georgia-Pacific/lumber, gypsum	6,469.0	22⅛	31⅞	20⅝	10.1	2.19	3.01	4.09	2.7	65
Golden West Homes/manufactured housing	44.7	8	18¼	7¾	NM	–0.07	0.03	1.25	—	34

NA: not available NM: not meaningful

Sources: Disclosure II Lynch Jones & Ryan Institutional Brokers Estimate System (IBES) on diskette via Micro Scan from ISYS Corp. Forbes

Statistical Spotlight

From this perspective, value seems greater.

In fact, of the 46 stocks on our table, 33 sell for less than 8 times estimated 1985 earnings. With few exceptions, earnings are expected to show year-to-year increases in both 1984 and 19[illegible]. Consider, too, that most of these shares are selling close to their 52-week lows.

All these companies carry a major element of risk. If Salomon Brothers guru Henry Kaufman is correct and interest rates climb sharply, any business depending on construction is vulnerable. But if interest rates fall, or even remain stable, these stocks may be attractive buys now.

Some analysts think there are ways to shop this industry and minimize the interest-rate risk. Stephen Albert of Kidder, Peabody, for example, recommends diversified companies. Among his present favorites: Overhead Door, Masco and Sherwin-Williams. Albert is also partial to what he calls "broader, late-cycle plays," such as American Standard. "I feel a little bit like Davy Crockett at the Alamo," he says. "I'm counting each bullet and planning my fire carefully."

Patrick McDonnell

First Boston's Laurence Hirschhorn uses different logic: "Nonresidential construction—office buildings and factories—is an extraordinary area of opportunity. These stocks are sensitive to capacity utilization rather than interest rates." Along with Albert, he recommends American Standard. Hirschhorn also likes Dover and Turner Construction.

Owning housing stocks, of course, isn't for the fainthearted. These companies have a history of providing handsome rewards for those who buy at the right time and devastation for those who don't. ■

House of the rising sun

Company/business	Sales (millions)	Price recent	Price 52-week high	Price 52-week low	P/E	Earnings latest 12 mos	Earnings estimated 1984	Earnings estimated 1985	Dividend yield	Debt/ equity
Guardian Industries/glass	$ 496.6	18	28⅜	16¼	10.5	$1.72	$1.99	$2.63	1.8%	76%
International Aluminum/aluminum, glass	107.9	17½	24⅛	16⅛	10.2	1.72	1.95	2.78	4.1	14
Jim Walter/building materials	1,933.6	26⅞	38⅛	25¼	7.4	3.65	4.00	5.03	3.6	154
Justin Industries/bricks	254.8	12⅞	16⅛	12⅛	9.3	1.39	1.79	3.03	—	76
Libbey-Owens-Ford/glass	1,167.7	46¾	47	31⅜	10.3	4.54	5.97	7.25	2.6	29
Louisiana Pacific/forest products	1,102.0	23¼	36½	21⅜	26.1	0.89	2.52	3.62	3.4	25
Manville/building materials	1,729.5	10⅜	16⅜	9¼	6.1	1.76	3.10	NA	—	0
Masco/plumbing supplies	855.7	27¼	37	25½	14.4	1.93	2.71	3.44	1.6	63
Medford/building materials	142.8	25	34	21	8.3	3.03	2.75	4.30	2.4	62
National Gypsum/gypsum	1,130.9	34	39⅛	27¼	7.8	4.34	5.58	7.02	5.2	26
National Homes/manufactured housing	64.8	3¼	10⅛	3⅛	NM	0.04	–0.05	NA	—	80
Overhead Door/building materials	228.9	16⅛	21¼	14¼	13.3	1.25	2.10	3.10	3.6	38
Owens-Corning Fiberglas/bldg materials	2,753.2	30½	46⅞	27⅜	9.1	3.34	4.57	5.41	3.9	30
Perini/construction	852.4	27⅞	33⅝	26⅛	9.8	2.85	4.57	NA	2.9	19
Philips Industries/manufactured housing	296.2	13⅛	20	11	9.1	1.43	1.82	2.01	3.0	51
Pope & Talbot/forest products	285.9	18¼	30¼	18¼	10.1	1.80	3.06	3.75	4.4	58
PPG Industries/building materials	3,681.6	29¼	38	27⅛	7.4	3.94	4.36	5.20	4.9	27
Presley Cos/home building	108.7	14⅛	20⅞	11⅜	8.3	1.70	2.38	2.75	2.1	33
Pulte Homes/home building	866.7	13⅞	37½	12⅝	8.6	1.62	2.00	2.77	0.9	20
Redman Industries/manufactured housing	262.8	9⅞	27½	8½	11.5	0.86	1.02	1.87	3.0	21
HH Robertson/construction	630.0	46⅝	48½	32⅞	14.4	3.23	3.40	3.43	3.4	11
Ryan Homes/home building	397.6	22½	50	21½	7.7	2.94	3.70	4.99	4.4	18
Standard-Pacific/home building	133.9	14⅛	22⅞	12¼	10.5	1.37	2.60	3.45	2.8	49
Tidwell Industries/manufactured housing	102.6	7⅛	20⅛	5¼	9.4	0.76	1.27	1.20	—	68
Triangle Pacific/cabinets	225.9	28	38½	22¼	9.5	2.95	3.24	NA	3.6	20
Trus Joist/building materials	95.9	25½	40½	23	15.5	1.65	2.39	3.25	1.4	28
Turner Construction/construction	57.9	22⅛	24⅜	17¼	7.7	2.93	3.50	NA	4.9	22
US Home/building	1,151.8	8¼	20¼	7⅛	17.9	0.46	1.10	1.54	3.9	71
Weyerhaeuser/forest products	4,882.6	28	41¼	27⅞	19.0	1.47	2.99	4.28	4.6	38
Writer/construction	56.3	7¼	19½	7⅛	6.4	1.21	1.52	2.00	1.9	NA
Zimmer/manufactured housing	122.6	10½	24⅞	8⅛	15.7	0.67	1.36	1.88	1.0	NA

NA: not available. NM: not meaningful.

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